GREATER**LONDON**AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3458

Council tax and business rates income maximisation funding and associated support for London boroughs and the City of London Corporation for 2025-26 to 2028-29

Executive Summary:

In 2025-26, the 32 London boroughs and the Corporation of London are due to collect around £5.8 billion of revenues on behalf of the Greater London Authority (GLA) through the Mayor's council tax precept, retained business rates and the Crossrail Business Rates Supplement (BRS). In addition, the GLA's pro rata share of accumulated business rates and council tax arrears at 31 March 2025 was around £640 million. The GLA therefore has a direct incentive to support initiatives which seek to maximise business rates and council tax income to fund GLA Group services. A net budget of £11 million was approved to support such initiatives in 2025-26 and future years. This funding is matched by contributions from the 33 local authorities pro rata to the respective share of the increased revenues achieved.

This Decision seeks the Mayor's approval to delegate authority to the Chief Finance Officer to allocate this funding and enter into contractual agreements with each of the 33 London billing authorities for 2025-26 to 2028-29. It is also proposed that the budget charged to the group Business Rates Reserve be uprated by inflation each year to recognise increases in billing authority costs including staff.

The Decision also seeks approval for the GLA to make a pro rata contribution in line with local Band D shares towards the costs of local discretionary council tax discounts awarded under section 13A(1)(c) of the Local Government Finance Act 1992 on a consistent basis across the 33 billing authorities within the funding envelope from 2026-27 to 2028-29.

Decision:

That the Mayor:

- approves that the borough income maximisation budget (net of recharges to the ringfenced Crossrail Revenue Account) is uprated by inflation each year compared to the 2025-26 approval of £11 million and is set at £11.4 million in 2026-27, £11.6 million in 2027-28 and £11.9 million in 2028-29
- delegates authority to the Chief Finance Officer to allocate the approved borough income maximisation budget and enter into contractual agreements with each of the 33 London billing authorities for 2025-26 until 2028-29 providing them with multi-year funding certainty
- approves the GLA making a pro rata contribution towards the costs of local discretionary council tax discounts awarded under section 13A(1)(c) of the Local Government Finance Act 1992 on a consistent basis across all 33 local authorities within this funding envelope from 2026-27 to 2028-29.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority. The above request has my approval.

Signature: **Date:** 17/12/25

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

1.1 In 2025-26, the GLA is forecast to receive £5.8 billion in revenues through council tax, retained business rates and Crossrail business rate supplement. The largest element of this is the £3.9 billion the GLA is forecast to receive under the business rates retention scheme from the estimated 315,000 non-domestic ratepayers in London – in line with its 37 per cent share of the total tax take. Of this sum around £870 million is budgeted to be paid to the government to fund local services elsewhere in England. The GLA will also receive over £1.6 billion through the Mayor's council tax precept on the 3.8 million band D equivalent domestic properties in London. A further £260 million – 100 per cent of the tax take net of a small collection allowance of £0.4 million deducted by billing authorities as prescribed by secondary legislation – will be received in respect of the Crossrail Business Rate Supplement (BRS) payable from ratepayers of the estimated 48,000 assessments on the local rating list which have a rateable value exceeding £75,000. These revenues are expected to increase in gross terms in 2026-27 due to the impact of the government's funding reforms to local government finance, the 2026 national business rates revaluation which will directly uplift BRS revenues and increase the GLA's gross retained rates receipts and the annual uplift in the GLA's council tax requirement.

Business rates and council tax income maximisation work

1.2 The GLA receives the revenues directly from the 33 London billing authorities who are responsible for collecting and enforcing each tax. It is therefore dependent on their forecasts and collection rates as well as their ability to minimise the levels of arrears and tackle fraud in relation to the claiming of reliefs for the income it ultimately receives. Billing authorities also have the statutory powers to formally submit proposed amendments to the domestic and non-domestic rating lists through the Valuation Office Agency (VOA) – the statutory body with responsibility for valuation in England and Wales – where errors or omissions have been identified or properties have been incorrectly valued. It is, however, for the VOA to make the final determination as to whether the rating list should be amended.

1.3 It is not uncommon for domestic properties, commercial buildings and other assessments to be omitted in full or in part from local valuation lists due to oversights or changes in circumstance. If they are included there is also the risk in the case of non-domestic premises that their valuation may be understated because of the impact of refits or redevelopments which may lead to their temporary removal from the list and a delay in reinstating them once the works are complete. Rateable values may also be incorrectly stated due to a delay in implementing court decisions relating to rating law, the impact of mergers and consolidations of properties, the implementation of national changes in rating policies by the VOA and changes of use or ratepayer type (e.g. from industrial to retail use). Local authorities also play a key role in relation to issuing completion notices on new developments and wider inspection work which if properly resourced results in properties being added to the local valuation list sooner resulting in higher revenues and improved cash flow for the GLA, individual local authorities and (in respect of business rates) central government.

1.4 In addition to ensuring the accuracy of the domestic and non-domestic rating lists, the GLA also has a direct interest in supporting the 33 local authorities in maximising collection rates and minimising the build-up of in-year and prior-year arrears while ensuring that robust ethical debt collection policies are followed. The GLA's notional share of the outstanding council tax and business rates arrears in London was around £640 million (c£330 million for council tax and c£310 million for business rates) at 31 March 2025. The council tax element – including the share for the 33 local authorities – is around £1.4 billion London wide. Additional challenges in collection increased following the pandemic as a result of the subsequent cost of living crisis and as a result of many boroughs – particularly in outer London – having to implement less generous council tax support schemes for working age households in order to deliver savings to balance their budgets.

1.5 This all represents significant levels of foregone income for local government in London and across England. Related to this are efforts made by London billing authorities to tackle rates and council tax avoidance measures including dealing with erroneous claims for empty property and charitable relief for business rates. It is estimated that up to 3 per cent of the business rate taxbase is lost each year due to avoidance measures. Further challenges have arisen as a result of avoidance measures being used in relation to the second homes premium introduced by 30 of the 33 authorities on 1 April 2025 which is expected to apply London wide from 2026-27.

1.6 Prior to 2016 the GLA made no direct contribution towards these areas of work even though it received an average of 20 per cent of the revenues raised – a share which has increased to more than one third since 2017-18 following its share of retained business rates being increased to 37 per cent. Given that billing authorities collectively were bearing around £50 million of expenditure not covered by deductible collection allowances permitted by the government, this situation was not desirable, equitable or sustainable.

1.7 From 2020-21 onwards the GLA has entered into multi-year agreements to support a variety of revenue maximisation projects across the 33 local authorities covering the period to 31 March 2026 in line with the approval granted through Mayoral Decision 2618 and then subsequent annual budgets. These allocations have been flexed and increased over the three-year period to address local challenges including in relation to managing rising levels of council tax arrears or to provide targeted support to those with the highest business rates taxbase and thus potential for revenue growth. It is intended that a further round of three-year agreements will be put in place covering the period of the 2026 business rates valuation list and multi-year local government funding settlement (i.e. 2026-27 to 2028-29). The Mayor's consultation budget for 2026-27 published on 3 December included a £11 million approval each year in the GLA Group items table on page 18 (listed as 'GLA Group initiatives').

1.8 The projects funded have focused on identifying assessments which have been omitted from or are undervalued in local valuation lists, pursuing the collection of outstanding arrears in an ethical manner, supporting debt and welfare advice teams, funding council tax hardship schemes on a transitional basis where boroughs have made significant changes to their local council tax support schemes, tackling council tax and business rates avoidance and enhancing property inspection functions more generally.

1.9 To demonstrate the value of this work in 2024-25, the GLA provided around £7 million in funding to support these income maximisation projects matched by around £12 million from billing authorities. Based on the certified claims received an estimated £125 million of rateable value was added to the business rates rating list. Taking into account backdated sums collectable, an additional £105 million of business rates income was generated of which just under £40 million accrued to the GLA based on its 37 per cent share. In addition it is estimated that council tax arrears were reduced by around £28 million of which an estimated £7 million accrued to the GLA. So for an investment of £7 million the estimated financial benefit to the GLA was just under £50 million in year (a return of around £7 for every £1 invested in year) with a proportion of this uplift continuing in 2025-26 as well. This measure does not capture the level of arrears in year which might otherwise have built up and/or the extent to which avoidance and evasion measures were reduced had funding for these projects and the associated property inspection and arrears teams not been in place. So these financial estimates certified by the 33 local authorities arguably understate the benefits.

1.10 In terms of more localised benefits, one central London borough awarded additional funding for business rates income maximisation and arrears work in 2024-25 reported a large collection fund deficit for business rates in the 2023-24 financial year of which c£20 million accrued to the GLA. Whereas in its 2024-25 outturn it reported a large surplus of which the GLA's share was £38 million – equating to a beneficial swing of nearly £60 million year on year following the award of this additional funding. Targeted support is being provided for similar reasons to another central London authority in 2025-26 which reported a large business rates reduction and the highest council tax deficit last January but has a high potential for future growth in revenues.

1.11 The City of London Corporation's business rates team played a key role in supporting the addition of several major developments onto the rating list which was reflected in a large growth in its collectable amount for business rates in 2025-26. The year-on-year increase in the GLA's business rates income from the City of London alone in 2025-26 was around £37 million.

1.12 There are a number of significant risks and challenges emerging over the next 12 months which are likely to affect the level of resources available to London government and provide additional challenges in relation to revenues collection:

- the revaluation of all 315,000 non-domestic premises in London – and the circa two million hereditaments across England – as a whole from April 2026, which will affect the taxbase and tax take in each local authority. This will require significant work to implement the new rating list as well as ensuring its initial and ongoing accuracy. The draft list published on 26 November is forecast to result in an average 22 per cent increase in rateable values in London with particularly large increases being seen for certain sectors including Heathrow airport, hotels, pubs and hospitality venues as well as most football stadiums and large arenas. While there is transitional protection for actual ratepayer bills to phase in the changes this does not apply to the local authority funding impacts arising from the revaluation

- the introduction of five business rates multipliers (to replace the existing two) in order to provide a permanent relative reduction for the majority of ratepayers in the retail, hospitality and leisure sectors. This will place an additional administrative burden on billing authorities to ensure properties are allocated to the correct multiplier based on the nature of their occupation

- the government's local government funding reforms which will affect the level of resources available to London boroughs albeit with damping arrangements to phase in gains and losses

- the implementation of the business rates reset which will remove and redistribute much of the growth secured since 2013-14 by the GLA and several boroughs – thus requiring additional focus on delivering new sources of taxbase growth to offset this from 2026-27 onwards. Due to the shorter proposed future reset periods of no more than six years maximising rating income by ensuring properties are added to the rating list promptly will become more critical in financial and cash flow terms for local authorities

- wider long term financial challenges being seen by many boroughs currently in receipt of or likely to require exceptional financial support. This could result in boroughs considering further changes to their council tax support schemes and more generally impact on their ability and capacity to invest resources in the collection of key revenue streams. This means the GLA's support for income maximisation work will become even more critical.

1.13 The above issues highlight the importance of investing in projects which maximise the council tax and business rates taxbase and collection rates.

1.14 The GLA has made clear that its funding support should not generally be used to resource the billing authorities' normal day to day collection work in respect of business rates which are funded by the collection allowance they are permitted to deduct from their rates income using a calculation approved by the Secretary of State.

Funding for section 13A discretionary council tax exemptions and discounts

1.15 All billing authorities offer local discretionary council tax exemptions and discounts to certain targeted groups. These vary from borough to borough but typically include support for children leaving the care system up to the age of 25, foster carers and individuals facing specific hardship challenges whether due to their financial circumstances or as a result of a major incident in the locality such as flooding. Some London boroughs are also considering granting exemptions to the terminally ill with less than 12 months to live from April 2026 following the decisions of Manchester and Hull City Councils to implement such schemes in 2025-26.

1.16 These are delivered using powers granted under section 13A(1)(c) of the Local Government Finance Act 1992 (section 13A) and each authority is required to agree a policy for such discounts and exemptions annually. The entire cost must be borne by the billing authority through their general funds in accordance with the Collection Fund (Council Tax Reductions) (England) Directions 2022 (2022 Directions) including the share relating to its major preceptors (i.e. the GLA in London). The GLA therefore receives the same level of income as if the section 13A discount had not been applied.

1.17 The current legislation, however, does not prevent major precepting authorities reimbursing billing authorities for their pro rata Band D share of the cost of section 13A discounts and exemptions. The GLA has not however provided such funding on a consistent basis across all 33 local authorities historically, meaning that the entire cost has often fallen on individual billing authorities. This position while legally valid is not necessarily equitable or sustainable given the financial challenges being faced by London boroughs. The Mayor has historically expressed support for such schemes including for care leavers, in particular.

1.18 It is therefore proposed – in line with our wider commitment to share the costs of council tax and business rates income maximisation projects in proportion to the respective benefits – the GLA makes a contribution towards the cost of the following section 13A discounts from 1 April 2026 until 31 March 2029 pro rata to its local share of the Band D tax:

- care leavers from the age of 18 to 25 (understood to be in place in all 33 local authorities)
- foster carers (where applicable)
- the terminally ill with less than 12 months to live
- households which are victims of major environmental incidents such as flooding where this is not funded by central government
- other discounts and exemptions at the discretion of the GLA's Chief Finance Officer.

1.19 The GLA would reserve the right, however, not to contribute towards the costs of blanket section 13A discounts which are not targeted at households or individuals in the greatest need or where there was not a clear local benefit to the wider community (as is indeed delivered by for example by support for foster carers or care leavers).

2. Objectives and expected outcomes

2.1 In 2025-26 the proposed support – typically matched by billing authority funding proportional to the respective financial gains generated – for income maximisation projects is expected to be applied primarily as follows:

- funding property inspection work – including contractors and directly employed staff – across all 33 local authorities. This will focus on ensuring the accuracy of the local domestic and non-domestic valuation list including in relation to new developments and properties subject to redevelopment or enhancement. This will maximise cash flow by ensuring the valuation list is updated promptly when new developments are completed and redeveloped and empty properties are reoccupied or brought back into use
- supporting council tax and/or business rates arrears work delivered using ethical collection methods including funding debt and welfare advice services where authorities have requested this. Currently this support has been taken up by the vast majority of billing authorities and allows additional staff to be employed and new systems to be deployed to allow more ethical, personalised, proactive and targeted engagement with taxpayers in arrears – including ensuring they claim any welfare benefits which they may be entitled to

- allocating targeted and focused funding on request to those authorities with the highest business rates taxbases in to maximise gains for the GLA – including backdated sums for prior years – in advance of the business rates reset scheduled to take place from April 2026

- providing match funding for local council tax hardship schemes on a time-limited basis to London boroughs which have made savings in the cost of their working age council tax support schemes by requiring vulnerable and low income households to make a higher contribution since 1 April 2024. These boroughs have typically reported large increases in council taxbases as a result (reflected in existing budgeted allocations across the GLA Group) meaning there is an increased collection risk which could lead to potential future deficits and thus a clawback of funding already paid to the GLA. This hardship funding targets support on a transitional basis to the most vulnerable households to provide them with additional time to adjust to their increased payments and therefore maximise overall collection rates.

2.2 In addition, the income maximisation funding may also be applied for the following purposes:

- confirming premises are being used for the purpose stated on the rating list e.g. for commercial or residential purposes, including whether these premises are empty or capable of beneficial occupation

- ensuring the redevelopment, refurbishment, extension and/or reconstitution of properties is correctly recorded and reported

- identifying specific high-risk, high-value assessments in certain sectors which may have been omitted from the valuation list or are materially undervalued

- advising business ratepayers of their eligibility for any reliefs or discounts they may be entitled to (e.g. small business rate relief, the new discounted retail, hospitality and leisure multipliers and for council tax single person discounts) – while also ensuring that fraudulent claims for reliefs or exemptions are identified and addressed (e.g. in relation to empty and second homes premiums for council tax and charitable and empty property relief for business rates).

2.3 The primary purpose of this Decision is to extend the existing delegated authority to the Chief Finance Officer agreed under MD2618 to allocate the income maximisation budget for 2025-26 and for the proposed next round of multi-year agreements to provide funding certainty until 2028-29 for billing authorities. If the Mayor approves the decisions requested, this will be done in a targeted way which seeks to maximise the financial gains to the GLA and is responsive to emerging localised challenges in billing authorities where they have requested additional support. It is intended that similar projects to those outlined above will be funded for 2026-27 to 2028-29.

2.4 In addition, it is proposed that the GLA survey all 33 London billing authorities to identify the cost of section 13A discretionary reliefs being granted split by category (e.g. care leavers, foster carers. general hardship etc). It is estimated based on initial sampling that the GLA's typical pro rata share of these costs is likely to vary between £50,000 and £100,000 per borough with a total estimated cost of up to £2 million per annum across London. The GLA will then consider how to provide this funding following discussions with billing authorities. It is expected this support will be delivered either via a deduction to council tax precept instalments in 2026-27 or as a separate invoice payment a part of their claims for income maximisation funding.

2.5 The 2025-26 Budget approved an allocation of £11 million to fund income maximisation projects reflecting the charge to the GLA's general fund (i.e. group the business rates reserve). It is proposed that the quantum for 2026-27 be uprated by September 2025 CPI to £11.4 million – the basis for uprating the business rates multiplier and in line with the expected rise in the GLA's council tax requirement – with further uplifts of at least 2 per cent in subsequent years.

2.6 In practice the GLA also charges a share of the costs to the Crossrail revenue account in recognition of the greater relative uplift in BRS revenues. This reflects the fact that the business rates maximisation projects tend to focus on larger assessments more likely to be subject to the BRS.

Revenues from the Crossrail BRS are expected to increase from April 2026 due to the 22.2 per cent average uplift in rateable values in London following the national revaluation. Unlike rates retention where any growth may be retained post the reset for a limited period any uplift in BRS income will be long term.

2.7 The Mayor's approval will be sought for the 2026-27 policies for the BRS by early February 2026 through a Mayoral Decision. This will incorporate an uplift in the qualifying rateable value threshold above which the BRS applies from the current level of £75,000 to reflect the average percentage change in rateable values across London following the revaluation. This change is intended to ensure that the number of properties liable to the BRS remains broadly unchanged following the revaluation.

2.8 Were existing income maximisation projects to be rolled forward into 2026-27 (subject to ceasing any applicable one-off funding) with an inflation uplift it is anticipated that the overall cost of the income maximisation projects will be around £10.7 million rising to £12.7 million including the provisional estimated cost of the GLA's contribution to fund section 13A discretionary council tax reliefs. After allowing for the expected BRS recharge the budgeted cost charged to the business rates reserve would therefore align with the proposed £11.4 million budget for 2026-27 allowing for an element of contingency with inflation uplifts thereafter.

2.9 The Chief Finance Officer is confident that the proposed up-front investment relating to these projects will be recovered over time as a result of the additional council tax and business rates income generated. In that respect this should be seen not as a cost but an invest to save initiative which, based on the outturn position for 2024-25 reported by billing authorities, should generate additional revenues for GLA services well in excess of the planned expenditure. Supporting this work also demonstrates the GLA's ongoing commitment to working with London billing authorities, providing a basis for the capital's long-term fiscal devolution aspirations.

3. Equality comments

3.1 Under section 149 of the Equality Act 2010 (the Equality Act), the GLA (including the Mayor) as a public authority must comply with the Public Sector Equality Duty when exercising its functions. This is a duty to have due regard to the need to eliminate discrimination, harassment and victimisation, and any conduct that is prohibited by or under the Equality Act. There is also a duty to advance equality of opportunity, and foster good relations, between people who share a protected characteristic and those who do not. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.

3.2 The protected characteristics under section 149 of the Equality Act are: age, disability, gender reassignment, pregnancy and maternity, marital or civil partnership status, race, religion or belief, sex, and sexual orientation. Compliance with the duty may involve ensuring people with a protected characteristic are provided with all the opportunities that those without the characteristic would have.

3.3 There are no direct equality implications for the GLA arising out of this decision as any projects will be managed by the relevant London billing authority and any staff employed on the project will be recruited by them under their terms and conditions and any contract it enters into will be under the terms of its procurement code. It is worth noting that many billing authorities seek to recruit staff locally including through apprenticeship schemes to these roles and therefore there is a wider benefit to Londoners beyond the additional revenues received. Each authority should have regard to appropriate equality considerations in its role as a public authority under relevant legislation.

4. Other considerations

Key risks and issues

4.1 All income maximisation projects are expected to be self-financing with any up-front costs being offset by additional revenues generated over time. Within the funding agreements that each billing authority will be bound by, the GLA will require them to identify the overall financial and related outputs and outcomes achieved including where measurable the revenues generated or outstanding debts recovered when the funding is drawn down. In 2024-25 it is estimated, for example, that for every £1 invested in these projects there was a £7 increase in revenues available for both the GLA and billing authorities.

Links to Mayoral strategies and priorities

4.2 The GLA generates over £5.5 billion a year from council tax and business rates income and a further c£260 million in Crossrail BRS income. Without these critical revenue streams the Mayor's wider strategies and priorities could not be delivered. The borough income maximisation funding generates additional resources to fund the Mayor's priorities.

Consultations and impact assessments

4.3 The income maximisation projects being funded are delivered by London billing authorities which have the statutory responsibility for collecting local property taxes. These revenues are collected having regard to primary and secondary legislation and established practices and protocols in place for the administration of council tax and business rates. These are subject to wider impact assessments and consultations by central government, the GLA and local billing authorities. No specific consultation issues arise.

Conflicts of interest

4.4 No conflicts of interest have been identified for anyone involved in drafting or clearing this Mayoral Decision.

5. Financial comments

5.1 This proposed Decision is financial in nature as it relates to the primary funding sources for the GLA group's revenue expenditure excluding government grants and fares revenue. In 2025-26 these revenue sources will provide around £2.5 billion of funding for TfL, c£1.2 billion for MOPAC, £532 million for the LFC and £19 million for the two existing Mayoral Development Corporations (MDC) combined. Business rates income also funds the bulk of the initial costs for the new Oxford Street MDC. In addition an estimated £870 million is forecast to be paid to MHCLG in tariff and levy payments under the rates retention system to support local services elsewhere in England. The remainder of the £5.8 billion will be applied to fund the GLA: Mayor (including £260 million from the BRS to finance and repay the GLA's Elizabeth line debt) and London Assembly budgets.

5.2 The GLA therefore has a direct financial interest in investing in projects which maximise council tax, business rates and BRS income. This is even more critical given the impact of the wider reforms to local government finance and funding including the business rates reset being implemented from April 2026.

5.3 The GLA will incur up-front costs in relation to projects supported under this proposed Decision which will be charged initially to the Mayor's business rates reserve and the Crossrail revenue account. These projects are expected generally to be self-financing within each financial year or potentially the next financial year as a result of the additional revenues generated in council tax and business rates.

5.4 The Decision also highlights that the 33 local authorities are funding discretionary council tax discounts and exemptions under section 13A. On equity grounds and recognising the Mayor has historically endorsed many existing exemption schemes (e.g. those for care leavers) it is proposed that from 2026-27 these costs should, in principle, be shared pro rata to band D council tax shares.

5.5 An annual budget of £11 million has been earmarked in the Mayor's approved 2025-26 revenue budget for these projects to fund any up-front costs net of any recharges to the Crossrail revenue account. It is proposed that this be increased to £11.4 million in 2026-27 (a 3.8 per cent uplift in line with the September 2025 CPI used to uprate business rates income and the rise in the GLA's council tax requirement), rising to £11.6 million in 2027-28 and £11.9 million in 2028-29. This provides an allowance for inflation in pay, contractor and other costs incurred by billing authorities and to reflect the additional workload arising from increases in the overall taxbase. This certainty will enable the GLA to agree new three-year funding agreements covering 2026-27 to 2028-29 with all 33 authorities in advance of the start of the next financial year. Should additional resources be identified as being needed this will be considered prior to the setting of the Mayor's budget for those financial years.

5.6 The GLA's proposed annual contribution equates to only 0.2 per cent of the £5.8 billion the GLA is expected to receive from business rates, council tax and the Crossrail business rates supplement in 2025-26 – and the level of funding proposed should be considered in this relative context.

6. Legal comments

6.1 The 32 London boroughs and the Corporation of London are the billing authorities for non-domestic rates, council tax and the Crossrail business rate supplement in their area under the Local Government Finance Act 1988, the Local Government Finance Act 1992 and the Business Rate Supplements Act 2009 respectively. Under section 41 of the 1988 Act and Chapter 2 of the 1992 Act it is the responsibility of the valuation officer for a billing authority to compile, and then maintain, its local non-domestic (business rates) and domestic (council tax) rating lists. Additionally, billing authorities offer local discretionary council tax exemptions and discounts to certain targeted groups using their powers under section 13A(1)(c) of the Local Government Finance Act 1992.

6.2 Under section 30(1) of the Greater London Authority Act 1999 (the GLA Act), the Mayor acting on behalf of the GLA has the power to do anything that he considers will further any one or more of the GLA's principal purposes, which are:

- promoting economic development and wealth creation in Greater London
- promoting social development in Greater London
- promoting the improvement of the environment in Greater London.

6.3 In deciding whether or how to exercise the general power in section 30(1), section 30 (4) of the GLA Act requires the GLA to have regard to the effect which the proposed exercise of the power would have on:

- the health of persons in Greater London
- health inequalities between persons living in Greater London
- the achievement of sustainable development in the UK
- climate change, and the consequences of climate change.

6.4 Where the GLA exercises the power under section 30(1), pursuant to section 30(5) it must do so in the way which it considers best calculated to:

- promote improvements in the health of persons in Greater London

- promote the reduction of health inequalities between persons living in Greater London
- contribute towards the achievement of sustainable development in the United Kingdom
- contribute towards the mitigation of, or adaptation to, climate change, in the United Kingdom.

6.5 The GLA must also make arrangements with a view to securing that in the exercise of the power in section 30(1) there is due regard to the principle that there should be equality of opportunity for all people in accordance with section 33 of the GLA Act and consult with such bodies or persons as the GLA may consider appropriate in this particular case in accordance with section 32 of the GLA Act.

6.6 Under section 34 of the GLA Act, the GLA has the power to do anything calculated to facilitate, or is conducive or incidental to, the exercise of the GLA's functions. Taking steps to increase revenue is so calculated. This power is subject to the limitation that the GLA may not raise money by virtue of it, except in accordance with relevant legislation. In the present case any money to be raised is to be raised by the individual local authorities in accordance with the relevant legislation. Reasonable expenditure designed to achieve a better level of business rates and council tax income for the GLA, through improvement of the non-domestic rating or council tax valuation list of a local authority, or increasing collection levels more generally, as described in the foregoing sections of this report, indicate that the decisions requested of the Mayor concern the exercise of the GLA's powers under section 30 and section 34 of the GLA Act.

6.7 Pursuant to section 38 of the GLA Act, any function exercisable by the Mayor on behalf of the GLA may also be exercised by any member of staff of the GLA, including the Chief Finance Officer, subject to any conditions that the Mayor sees fit to impose. To this end, the Mayor may make the requested delegation to the Chief Finance Officer.

6.8 The formal agreement with each billing authority will be consistent with the GLA's standard format.

6.9 In entering into any contractual arrangements contemplated by this decision, the GLA must have regard to the requirements of its Contracts and Funding Code (the Code) as applicable. In doing so, officers must ensure that:

- with respect to any grant funding, that the funding be distributed fairly, transparently, in accordance with the GLA's equalities and with the requirements of section 12 of the Code. In the event that the Subsidy Control Act 2022 applies to specific grant funding, officers must assess that proposal for compliance with its subsidy control principles prior to finalising the decision to give the relevant subsidy; and
- with respect to any procurement of services required, that Transport for London's Procurement and Commercial team are involved in determining the detail of the procurement strategy to be adopted in accordance with the Code and, if applicable, the Procurement Act 2023. Officers must ensure that appropriate contractual documentation be put in place and executed prior to the receipt of any such services.

6.10 The extent to which decisions are sought which involve the making of commitments which extend beyond the current Mayoral term, officers must ensure that the terms of all agreements entered into concerning such commitments do not have the effect of fettering the discretion of any successor administration, in particular consideration of the London elections taking place in May 2028. Accordingly, officers must ensure that all agreements which involve making such commitments include a GLA right to terminate at any point for convenience (at no cost to the GLA) and are managed in such a manner, and any milestones and/or output requirements are structured, so as to mitigate risks of the GLA incurring abortive expenditure (which might be reasonably be taken to fetter, practically, the exercise of such discretion).

7. Planned delivery approach and next steps

7.1 The planned project delivery is set out below:

Activity	Timeline
Collect responses from the 33 billing authorities to determine cost of existing section 13a council tax discretionary schemes	Completed January 2026
Finalise funding agreements to be signed by billing authorities for 2025-26 agreed allocations and issue claims forms	Mid-January 2026
Agree, in principle, 3 year funding allocations for 2026-27 to 2028-29 with 33 local billing authorities	By 1 April 2026

Appendices and supporting papers:
None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:	Drafting officer to confirm the following (✓)
Drafting officer: Martin Mitchell has drafted this report in accordance with GLA procedures and confirms the following:	✓
Sponsoring Director: Fay Hammond has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
Mayoral Adviser: David Bellamy has been consulted about the proposal and agrees the recommendations.	✓
Advice: The Finance and Legal teams have commented on this proposal.	✓
Mayoral Delivery Board This decision was agreed by the Mayoral Delivery Board on 15 December 2025.	

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature: Fay Hammond

Date: 15 December 2025

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature: D. Bellamy

Date: 15 December 2025