

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2969

**Title: GLA: Mayor budget for 2022-23**

### Executive Summary:

Following the budget setting exercise in the period from Summer 2021 to February 2022, and the London Assembly's approval without amendment of the GLA: Mayor budget council tax requirement at its meeting on 24 February, the detailed Greater London Authority (GLA) Mayoral component budget for 2022-23 is submitted for the Mayor's approval.

This budget presents a gross revenue expenditure for the GLA: Mayor in 2022-23 of £603m. This supports Recovery Foundations and Missions gross costs of £512m and Core Functions gross costs of £91m. It also sets out a Capital Programme of £2.1bn. This budget proposes significant new GLA activity arising from the Mayor's final allocation of resources in his Group-wide budget. It also reflects the new budgeting procedures to improve the management and monitoring of the budget.

### Decision:

That the Mayor approves the GLA: Mayor budget for 2022-23 as set out in the Appendix to this decision.

### 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:**

23/3/22

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The COVID-19 pandemic has had and continues to have a profound and too often a tragic impact on the lives of Londoners. This GLA: Mayor budget builds on, and continues, the Mayor's ambitions for London's recovery from the impacts of COVID-19 and the underlying inequalities it has exposed.
- 1.2. When we prepared this budget in draft in November 2021, we anticipated only a small increase of £13m in the base level of funding for 2022-23. We know now that final council tax and business rates returns from London boroughs and the City for 2021-22 were higher than forecast in the Mayor's Budget Guidance issued in the summer. This has allowed the Mayor to allocate £126m more additional funding than expected, of which £123m is one off and £3m is recurring. Including additional external income, this final budget lays out total revenue funding of £603m available for 2022-23 and a Capital Programme of £2.1bn in the next financial year.
- 1.3. This budget sets out the contribution the GLA: Mayor budget will make to the pan-London recovery work across a suite of 'Recovery Foundations' and 'Recovery Missions'. Alongside the investment in the GLA Group budget, this budget sets out steps to:
  - make London safer
  - deliver more affordable housing
  - kick-start London's economic recovery
  - promote a Green New Deal for London
  - provide opportunities for young Londoners.
- 1.4. As in the 2021-22 budget, we report via 'Recovery Missions', 'Recovery Foundations' and 'Core Functions', as well as via Directorates. We have reduced the costs of our Core Functions to a gross spend of £91m and a net spend of £76m. This allows us to allocate £512m revenue funding to supporting London's recovery directly across eight Recovery Foundations and nine Recovery Missions.
- 1.5. We also have a confirmed capital programme of £2.1bn in 2022-23, of which just under £1.4bn sits in the Affordable Housing Programme and other housing related programmes funded by the government. This substantial capital investment programme is critical to supporting London's recovery.
- 1.6. Although this budget funds critical new investment, many existing programmes are dependent upon one-off reserves which are unlikely to be available in future years. The management of expiring programmes will become a key issue throughout the coming financial years.
- 1.7. This budget also takes a different approach to previous budgets on requests for resources to be carried forward from previous financial periods. Essentially, the approval of such requests for core GLA funding will be for exceptional reasons only, with budgets being allocated to services on their capacity to deliver within the financial year. This process is to be enforced at the quarterly performance review meetings throughout the forthcoming year.

## **2. Objectives and expected outcomes**

- 2.1. The budget sets out the financial envelope for the GLA's Mayoral operations in 2022-23. The budget will be deployed to meet the Mayor's priorities for the GLA. The Appendix describes in detail the objectives and outcomes that will be delivered.
- 2.2. The capital strategy sets out detailed spending plans from 2021-22 to 2025-26 along with aspirations and plans to implement the Mayor's policies over the longer term to 2040-41.
- 2.3. The budget also sets out detailed information on the GLA's staffing establishment.

## **3. Equality comments**

- 3.1. The assessment of equalities impacts is set out in detail in the Appendix. Pursuant to the general public sector equality duty in section 149 of the Equality Act 2010, the Mayor is under a statutory obligation to have due regard to the equalities impacts when making this decision. In summary, those subject to the general equality duty must have due regard to the need to:
  - eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
  - advance equality of opportunity between people who share a protected characteristic and those who do not
  - foster good relations between people who share a protected characteristic and those who do not.
- 3.2. Equalities impacts and the above duties will continue to be considered when individual programmes and project specifications are developed and approved through the Authority's decision-making processes.

## **4. Other considerations**

- 4.1. An assessment of the budget's environmental impact is also set out in the Green New Deal section of the Appendix.
- 4.2. The budget setting process has been conducted in accordance with the statutory requirements in the GLA Act 1999. The London Assembly approved without amendment the GLA: Mayoral component budget council tax requirement at its meeting on 24 February 2022.
- 4.3. It is recognised that all GLA officers have an interest in the budget, as it funds their employment. This budget has been developed in a process overseen by the Corporate Investment Board to ensure it is driven by Mayoral and corporate priorities, rather than those of any individual or team.

## **5. Financial comments**

- 5.1. Financial issues are integral to this decision and are presented in detail in the Appendix. There are risks and uncertainties inherent in programmes reliant on government/external funding and government policy on council tax and business rates in the medium term. The budget development, consultation and approval process has arrived at reserve provisions which are judged to be reasonable, necessary and prudent. This will be kept under review.

## **6. Legal comments**

- 6.1. As confirmed at 4.2 above, the budget setting process has been conducted in accordance with the statutory provisions in Part III and Schedule 6 of the GLA Act 1999.

## **7. Planned delivery approach and next steps**

- 7.1. The budget will come into effect at the start of the next financial year on 1 April 2022.

### **Appendices and supporting papers:**

Appendix 1: GLA Budget for 2022-23

**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 either be published 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 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:**

David Gallie has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Mary Harpley 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.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on the 14 March 2022.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

*D. Gallie*

21/3/22

**CHIEF OF STAFF:**

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

**Signature**

**Date**

*D. Bellamy*

21/3/22

