

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2795

Title: GLA: Mayor budget for 2021-22

Executive Summary:

Following the budget setting exercise in the period from summer 2020 to February 2021, and the Assembly's approval without amendment of the GLA: Mayoral component budget council tax requirement at its meeting on 25 February, the detailed Greater London Authority (GLA) Mayoral component budget for 2021-22 is submitted for the Mayor's approval. This budget, driven by the twin imperatives of directing as much of the GLA's available resources as possible to support London's recovery, while dealing with the implications of reductions to its income, considers its resources and their deployment against a new budget framework.

This budget presents a gross revenue expenditure for the GLA: Mayor in 2021-22 of £638m. This supports Recovery Foundations and Missions gross costs of £516m and Core Functions gross costs of £121m. It also sets out a Capital Programme of £1.839bn. This component budget proposes a significant re-purposing of the GLA's activity and the extensive use of reserves. It also introduces new budgeting procedures to improve the management and monitoring of the budget.

Decision:

That the Mayor approves the GLA budget for 2021-22 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:

9/3/21

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

Decision required – supporting report

1. Introduction and background

- 1.1. Covid-19 has had and continues to have a profound and too often a tragic impact on the lives of Londoners. This disruption continues during a third period of national lockdown. This GLA: Mayor component budget is a direct product of the Covid-19 pandemic and is shaped by the Mayor's ambitions for London's recovery.
- 1.2. This budget is shaped too by a significant drop in the financial resources available to the GLA as a direct result of Covid-19 – not only on account of reduced business rate and council tax income, but also of reduced interest income from our investments. When we prepared this budget in draft in November 2020, we anticipated that £38m less would be available from these sources to the GLA: Mayor for 2021-22 than we planned for in the 2020-21 budget.
- 1.3. 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 in June. This has allowed the Mayor to allocate £25.7m more additional funding than expected. Including additional external income, this final budget lays out total revenue funding of £638m available for 2021-22 rather than the £602m assumed in the draft budget.
- 1.4. The twin imperatives of directing as much of our available resources as possible to support London's recovery, while dealing with the implications of reductions to our income, have driven us to consider our resources and their deployment against a new budget framework. As a result, 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'. This budget also sets out separately the cost of our 'Core Functions'. We also present the budget using the GLA's traditional directorate-by-directorate approach for purposes of continuity and transparency. We have abandoned the GLA's long-held approach to estimating staffing costs using a theoretical model which included an assumed vacancy rate and led to an under-statement of costs in several teams.
- 1.5. We have reduced the costs of our Core Functions by £10m in this budget, to £121m. This allows us to allocate £516m revenue funding to supporting London's recovery directly across eight Recovery Foundations and nine Recovery Missions. We have also saved and re-purposed considerable funding by stopping or curtailing current activity and funding new priorities instead.
- 1.6. We also have a confirmed capital programme of £1,839m in 2021-22, of which £783m 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.
- 1.7. The part of the GLA establishment funded by GLA resources, excluding the London Assembly, is expected to reduce as a result of this budget by circa 3% subject to the outcome of consultation with staff and Unison. Our deployment of substantial reserves in 2021-22 to finance the budget means that a significant number of posts are now funded by the GLA's (Mayoral) reserves as opposed to recurrent funding.
- 1.8. This budget also takes a different approach to previous budgets in term of funds carried forward from Quarters 2 and 3. All carry forward requests from 2020-21 (which total £61m to date, of which half is GLA funding) will be allocated to a specific reserve, rather than to a Directorate budget. This new approach will ensure closer monitoring of the carried-forward funding as it is drawn-down in year and ensures a clearer picture of the expenditure planned from 2021-22 funding sources.

2. Objectives and expected outcomes

- 2.1. The budget sets out the financial envelope for the GLA's Mayoral operations in 2021-22. 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 2020-21 to 2024-25 along with aspirations and plans to implement the Mayor's policies over the longer term to 2039-40.
- 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 details 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 characteristic¹ and those who do not; and
 - 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 Assembly approved without amendment of the GLA: Mayoral component budget council tax requirement at its meeting on 25 February 2021.
- 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,

¹ These are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and in certain circumstances, marriage and civil partnership.

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 2021.

Appendices and supporting papers:

Appendix 1: GLA Budget for 2021-22

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 8 March 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature**Date**

D. Gallie

8 March 2021

CHIEF OF STAFF:

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

Signature**Date**

D. Bellamy

8 March 2021

