Part 2
Draft Consolidated Budget 2023-24

Explanation of Proposals

January 2023

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Greater London Authority
January 2023

Published by
Greater London Authority
City Hall
Kamal Chunchie Way
London
E16 1ZE
www.london.gov.uk
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from www.london.gov.uk

Contents

Section 1: Introduction and Overview 28

Section 2: Greater London Authority: Mayor of London 46

Section 3: Greater London Authority: London Assembly 64

Section 4: Mayor's Office for Policing and Crime 67

Section 5: London Fire Commissioner 79

Section 6: Transport for London 87

Section 7: London Legacy Development Corporation 100

Section 8: Old Oak and Park Royal Development Corporation 108

Section 9: Capital Strategy including Capital Spending Plan 115

Appendix A: Greater London Authority: Mayor and London Assembly 123

Appendix B: Mayor's Office for Policing and Crime 128

Appendix C: London Fire Commissioner 131

Appendix D: Transport for London 134

Appendix E: London Legacy Development Corporation 137

Appendix F: Old Oak and Park Royal Development Corporation 140

Appendix G: GLA Group Savings and Collaboration 141

Appendix H: Summary of Revenue Expenditure and Financing 145

Appendix I: Funding Assumptions 152

Appendix J: Climate Budget Measures 168

Appendix K: Budget timetable and key dates 169

Introduction and Overview

1.1 The Greater London Authority (GLA) is the strategic authority for London and supports the Mayor and the London Assembly in delivering their respective responsibilities and functions. The GLA's five functional bodies are its principal delivery arms: the Mayor's Office for Policing and Crime (MOPAC), overseeing the work of the Metropolitan Police Service (MPS); the London Fire Commissioner (LFC); Transport for London (TfL); the London Legacy Development Corporation (LLDC) and the Old Oak and Park Royal Development Corporation (OPDC).

1.2 The purpose of this document is to explain the Mayor's Draft Consolidated Budget for 2023-24 ("Budget") and draft Capital Spending Plan. The Mayor has previously consulted the London Assembly, functional bodies, London Boroughs, the Common Council of the City of London and other interested parties, such as the business community, on his budget proposals in the GLA Group Budget Proposals and Precepts 2023-24 consultation budget document published in December 2022. This document sets out the Mayor's proposed revenue budget and draft capital spending plan for 2023-24.

1.3 For the seven "constituent bodies" (the Mayor, Assembly and the five functional bodies), the Mayor puts forward separate "component budgets" relating to the amount needed to balance each body's respective revenue expenditure, after allowing for revenue grants from the government and retained business rates, where relevant. This is known as the "component council tax requirement". The aggregate of these seven "component" budgets gives the GLA Group Budget and the proposed figure of the GLA precept, known as the "consolidated council tax requirement". The GLA Group Budget is prepared in compliance with the CIPFA Financial Management Code.

1.4 The Mayor's key objective in this Budget is to continue building a better London for everyone – a city that is a fairer, safer, greener and more affordable place for all of its communities. For the first time ever, this budget incorporates the concept of climate budgeting, setting out how the GLA Group's spending is linked to the Mayor's commitment to make London net zero by 2030. The key deliverables in this Budget are set out in the relevant section for each of the constituent bodies.

1.5 This Budget has been produced in a climate of extreme economic circumstances. In December 2022, the Office for National Statistics (ONS) reported inflation (CPI) had reached 10.7 per cent in the previous month. This exceptionally high level of inflation also led the Office for Budgetary Responsibility (OBR) to forecast the worst contraction of real incomes since records began after the Second World War, with income expected to fall by 7 per cent, in real terms, over 2022 and 2023. The unemployment rate is forecast to rise to 4.1 per cent in 2023 and 4.9 per cent in 2024, compared to its current rate of 3.7 per cent.

1.6 This Draft Consolidated Budget takes into account the forecast impact of the Provisional Police and Local Government Finance Settlements, published on 14 December and 19 December respectively. However, at this stage the Budget incorporates only provisional estimates of council tax and business rates income. The forecast outturn for council tax and business rates income for 2022-23 and the budgeted income for 2023-24, to be taken into account in the final draft budget, will not be confirmed until billing authorities submit their estimates to the GLA, due at the end of January 2023. An updated assessment of funding will be made at that point and the funding allocations for each constituent body reviewed.

GLA Group Capital Strategy

1.7 In accordance with the requirements of the relevant statutory guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), an updated Capital Strategy, setting out capital expenditure and funding plans for the next twenty years must be produced, alongside a detailed three-year plan. The GLA Group's draft Capital Strategy, which brings together information from the GLA and each of the functional bodies' draft Capital Strategies, is set out in Section 9 of this document and includes the GLA Group's draft statutory capital spending plan for consultation, as required under section 123 of the GLA Act 1999.

Overall gross revenue and capital expenditure of the GLA Group

1.8 The gross expenditure for the GLA (Mayor and Assembly) and each functional body is funded through a combination of resources directly controlled and allocated by the Mayor. This funding comprises council tax and retained business rates income. Additional funding is received from fares for TfL, specific and general government grants, and locally raised taxes and charges, such as the congestion charge, the Crossrail Business Rate Supplement (BRS) and Mayoral Community Infrastructure Levy (MCIL).

1.9 The following table summarises the planned total revenue and capital expenditure of the GLA Group in 2023-24 compared to the 2022-23 forecast outturn for each body calculated on a statutory basis in accordance with the requirements of the GLA Act. These statutory calculations form the basis of the amounts reported in part 1 of the Mayor's draft and final draft budget which the Assembly has the power to amend.

1.10 The calculations include certain expenditure (e.g. intra-group transfers from the GLA to TfL for the Elizabeth line and to LLDC for East Bank) which result in equivalent spending effectively being reported both by the funding body (generally the GLA via group items) and the recipient functional body. The reduction in the GLA's statutory capital expenditure in 2023-24 is due primarily to the fact that it is due to make its final approximately £319 million contribution towards the Elizabeth Line in 2022-23. The statutory calculations also include transfer payments to the government (e.g. the business rates retention tariff payment) and London billing authorities (e.g. the repayment of prior year deficits arising from the pandemic) in respect of retained business rates reported within GLA: Mayor group items. The Mayor has no direct control over these items, and they do not result in expenditure on services or for capital purposes within the group. The statutory calculations, therefore, result in the true group-wide gross expenditure over which the Mayor has control being nominally overstated.

Total gross revenue and capital expenditure on a statutory basis	**Forecast Outturn 2022-23 £m**	**Budget 2023-24 £m**	**Change £m**	**Change %**
Revenue:				
GLA: Mayor services	862.2	864.7	2.5	0%
GLA: Mayor group items	1,894.5	1,025.8	-868.7	-46%
GLA: Assembly	8.2	8.5	0.3	3%
MOPAC	4,428.1	4,519.3	91.3	2%
LFC	526.9	532.9	6.0	1%
TfL	8,658.8	8,947.8	288.9	3%
LLDC	71.3	72.6	1.3	2%
OPDC	8.4	11.3	2.9	35%
Total revenue	**16,458.4**	**15,982.8**	**-475.6**	**-3%**
Capital:				
GLA: Mayor	2,119.1	1,525.8	-593.4	-28%
MOPAC	321.8	360.8	39.0	12%
LFC	23.2	46.6	23.4	101%
TfL	1,850.2	2,293.2	443.0	24%
LLDC	275.4	195.2	-80.2	-29%
OPDC	0.0	6.3	6.3	n/a
Total capital	**4,589.8**	**4,427.9**	**-161.8**	**-4%**
Grand total revenue and capital	**21,048.2**	**20,410.7**	**-637.5**	**-3%**

1.11 The following additional table reflects the adjusted gross revenue and capital expenditure after intra-group transfers and retained business rates payments to the government and billing authorities are excluded from the statutory calculations. This table is provided for information purposes only to assist stakeholders in understanding the actual level of expenditure across the GLA Group over which the Mayor has control.

Statutory gross expenditure adjusted for intra group transfers	Intra group transfers	Adjusted gross expenditure	Intra group transfers	Adjusted gross expenditure	Adjusted Change	Adjusted Change
	2022-23	2022-23	2023-24	2023-24		
	£m	£m	£m	£m	£m	%
Revenue:						
GLA: Mayor	0.0	862.2	0.0	864.7	2.5	0%
GLA: Mayor group items	-251.6	1,642.9	-162.4	863.3	-779.5	-47%
GLA: Assembly	0.0	8.2	0.0	8.5	0.3	3%
MOPAC	0.0	4,428.1	0.0	4,519.3	91.3	2%
LFC	0.0	526.9	0.0	532.9	6.0	1%
TfL	-1,126.4	7,532.4	-690.0	8,257.7	725.3	10%
LLDC	0.0	71.3	0.0	72.6	1.3	2%
OPDC	0.0	8.4	0.0	11.3	2.9	35%
Total revenue	**-1,378.0**	**15,080.4**	**-852.5**	**15,130.3**	**49.9**	**0%**
Capital:						
GLA: Mayor	-639.3	1,479.8	-76.5	1,449.3	-30.6	-2%
MOPAC	0.0	321.8	0.0	360.8	39.0	12%
LFC	0.0	23.2	0.0	46.6	23.4	101%
TfL	0.0	1,850.2	0.0	2,293.2	443.0	24%
LLDC	0.0	275.4	0.0	195.2	-80.2	-29%
OPDC	0.0	0.0	0.0	6.3	6.3	n/a
Total capital	**-639.3**	**3,950.5**	**-76.5**	**4,351.4**	**401.0**	**10%**
Grand total capital and revenue	**-2,017.3**	**19,030.9**	**-929.0**	**19,481.7**	**450.9**	**2%**

1.12 The following expenditure reported in the statutory table in 2023-24 has been excluded for the purposes of this revised comparison:

- An estimated £162.4 million of funding provided through the GLA: Mayor group items is also replicated and reported in component budgets and has therefore been removed from the line for the former. Around £91.5 million of this relates to funding the GLA is providing to TfL from its transport services funding reserve to fund the scrappage scheme. A further £27.8 million relates to the drawdown of the Mayor's Strategic Investment Fund reserve to support project expenditure reported in the GLA: Mayor budget. The remaining balance relates to the funding of LLDC and OPDC transferred from the GLA's MDC reserve, and a small residual amount of funding for the Northern Line Extension (NLE) being transferred to TfL which is funded from the GLA's dedicated NLE reserve.

- TfL have assumed £690.0 million of Mayoral revenue funding will be used to support capital investment in 2023-24. This amount is reflected in both TfL's revenue and capital spending plan tables as the funding is transferred from its revenue account and applied as a revenue contribution towards capital expenditure. The funding contribution is therefore removed in the comparison within the revenue budget as the ultimate expenditure is for capital purposes.

- Capital contributions of £76.5 million are shown in the GLA: Mayor capital spending plan as well as within the functional bodies' component capital budgets. Around £71.7 million is reported in LLDC's capital plan for East Bank and other smaller projects, and a £4.8 million GLA contribution towards the Elephant and Castle redevelopment project (including the northern roundabout and the new tube station ticket hall) is also reflected in TfL's capital spending plan. The GLA's capital spending plan figures are adjusted to remove this effective double count.

1.13 The adjusted gross expenditure table after removing these intra-group transfers shows total revenue expenditure increasing by £50 million between the 2022-23 forecast outturn and 2023-24 budget. This is a net figure and comprises significant increases and decreases within the component budgets which include:

- £779.5 million reduction in GLA: Mayor group items. This relates to refunds to billing authorities for repayment of business rates deficits in 2022-23 – around £671 million of this relates to the GLA's share of the cost of the 2021-22 pandemic relief scheme for the retail, leisure, hospitality and nursery sectors and is therefore offset by section 31 compensating grant from the government.

- A £725.3 million increase to TfL operating expenditure (mostly offset by additional passenger income).

- An increase in MOPAC's gross expenditure of £91.3 million predominantly as a result of inflation pressures (partially offset by reductions in overtime and capital financing costs). There is also increased expenditure for an additional 500 PCSOs to support neighbourhood policing.

1.14 In addition, the £401 million increase in the overall capital expenditure predominantly relates to TfL's increased capital budgets for rolling stock, signalling replacements and enhancements.

Council tax precept

1.15 The GLA receives income from a council tax precept on London's 33 billing authorities (the 32 London boroughs and the Common Council of the City of London). Income from council tax balances the GLA Group's net revenue expenditure, after allowing for revenue grants from the government and retained business rates.

1.16 A different Band D council tax charge for the GLA Group's services applies in the City of London, compared to the thirty-two London boroughs, as it is outside the Metropolitan Police District. Council taxpayers in the City of London therefore contribute separately towards the costs of the City of London Police, rather than the Mayor's Office for Policing and Crime (MOPAC). As a result, council taxpayers in the City of London pay the 'unadjusted' basic amount of council tax to the GLA (also known as the non-police precept). Council taxpayers in the 32 London boroughs pay the 'adjusted' amount of council tax, which is made up of the unadjusted amount, for non-police services, and a separate element for policing services.

1.17 As a result of provisions introduced in the Localism Act 2011 since 2012-13, the government has set limits on council tax increases (so called 'excessiveness principles'). Authorities wishing to exceed these limits – which are set annually at Ministers' discretion and are then approved by the House of Commons – are required to hold a referendum of local residents across their entire area to seek approval before they can legally be implemented. Details of the excessiveness principles for 2023-24 have been set out in Part 3 of this Draft Budget.

1.18 The Mayor intends to increase the unadjusted Band D council tax charge for non-police services (i.e. the amount payable by taxpayers in the City of London) by £23.55 for 2023-24. This is £1.19 higher than proposed in the Consultation Budget and reflects the additional uplift arising from a 2.99 per cent rise – excluding the £20 TfL bespoke flexibility – compared to the 1.99 per cent assumption used in the consultation budget. The entire additional uplift – which will raise an additional £3.7 million per annum – will be applied to fund the London Fire Commissioner's component budget.

1.19 The adjusted Band D council tax charge, which includes additionally the element for policing and is payable by taxpayers in the 32 London boroughs, is now proposed to increase by £38.55 or 9.7 per cent. This reflects the confirmation in the provisional police settlement for 2023-24 and the draft referendum principles issued alongside the provisional local government finance settlement that Police and Crime Commissioners in England are permitted to increase their Band D council tax charge by up to a maximum of £15 for 2023-24 without triggering a referendum. The increase is £10.66 higher than the proposed adjusted precept in the consultation budget – comprising an additional £9.47 for policing (taking that to £15) in addition to the £1.19 uplift for the London Fire Commissioner outlined above.

1.20 The £23.55 proposed increase in the unadjusted (non police) precept and the £38.55 in the adjusted (i.e. the total precept payable in the 32 boroughs) are the maximum permitted for the GLA which do not trigger a referendum under the council tax excessiveness principles. The Department for Levelling-Up, Housing and Communities (DLUHC) is expected to confirm the referendum principles in early February alongside the final local government finance settlement and these will be subject to formal approval by the House of Commons shortly thereafter. It is unlikely, however, that the current draft principles for the GLA will be amended.

1.21 In summary, the Mayor therefore proposes to increase his total Band D council tax charge – the adjusted amount payable by taxpayers in the 32 boroughs from £395.59 to £434.14 in order to provide additional resources to support frontline policing and fire and rescue services and provide a sustainable funding position for TfL in line with the requirements of the funding deal agreed with the Department for Transport on 30 August 2022. The unadjusted Band D charge payable by council tax payers in the City of London, which is outside the Metropolitan Police District, is proposed to increase from £118.46 to £142.01 As the Government has not yet confirmed the council tax referendum thresholds for 2024-25 or future years, 1.99 per cent increases are assumed for that financial year for both the police and non-police element, with a further one off bespoke flexibility assumed to be permitted for transport services of £20 in 2024-25 only.

1.22 It is currently assumed there will be a 1 per cent increase in the council tax base for 2023-24. A number of London boroughs have recently consulted on changes to their council tax support (CTS) schemes for 2023-24. If more generous CTS schemes are offered, or more households become entitled to council tax support in light of the current economic situation, or due to the current challenges in the housing market fewer new properties are completed in a billing authority and occupied than in previous years, the tax base will be negatively impacted. Therefore, the budgeted 1 per cent increase is assumed to be a prudent estimate until the actual council taxbases are confirmed by the 33 local billing authorities at the end of January 2023.

1.23 Taking into account the above assumptions the forecast consolidated council tax requirement for 2023-24 is £1,345.3 million which is £131.7 million higher than in 2022-23. Details of the component council tax requirements for each constituent body of the GLA Group for 2023-24, and indicative figures for future years, are set out in the following table.

Component council tax requirements	**Approved**	**Proposed**	**Plan**	**Plan**
	2022-23	**2023-24**	**2024-25**	**2025-26**
	£m	**£m**	**£m**	**£m**
GLA (Mayor)	66.7	67.4	68.0	68.7
GLA (Assembly)	2.7	2.7	2.7	2.8
MOPAC	849.5	904.4	931.6	959.7
LFC	180.7	193.6	204.3	216.6
TfL/Transport Services	114.0	177.2	241.7	244.1
LLDC	0.0	0.0	0.0	0.0
OPDC	0.0	0.0	0.0	0.0
Consolidated council tax requirement	**1,213.6**	**1,345.3**	**1,448.4**	**1,491.9**
Total Band D council tax payable in:				
32 London Boroughs (adjusted amount)	£395.59	£434.14	£462.76	£471.94
City of London (unadjusted amount)	£118.46	£142.01	£164.82	£168.07

Note: The 2022-23 GLA (Mayor) and TfL approved requirements have been adjusted to reflect the £61.5m generated via the GLA (Mayor) precept in that year. The Mayor agreed via a Mayoral Decision in September 2022 that this sum will be transferred to TfL before 31 March 2023 rather than in 2023-24 which was the intention when the 2022-23 budget was approved in February 2022. Even though the statutory council tax requirements for the GLA:Mayor and TfL cannot be amended this £61.5 million figure is reported against TfL in the above table for 2022-23 to aid year on year comparisons.

Retained Business rates assumptions and the impact of the 2023 revaluation

1.24 Since April 2017 the government has funded all former general grants from central government for the GLA and LFC, the residual former TfL general and investment (capital) grants from the Department for Transport, as well as an element of support for London policing in respect of historic council tax freeze grant, through retained business rates. The combined retained business rates funding allocated in this budget for services and the estimated £735.4 million tariff transfer to the government to fund local services elsewhere in England, is assumed to total £3,168.7 billion in respect of the 2023-24 financial year. No estimated surpluses or deficits for 2022-23 are assumed at this stage pending confirmation of these by billing authorities at the end of January and the impact of these will be considered in the final draft budget. Any additional deficits over and above those previously budgeted for in respect of 2021-22 and prior years are being managed through the GLA's business rates reserve (BRR).

1.25 It was confirmed in the provisional local government finance settlement that the GLA's local retention pilot, which includes the former rolled in TfL capital investment grant from DfT of c£1 billion, will continue for a further year. The GLA will therefore – as in 2022-23 – retain 37 per cent of business rates growth, net of its tariff payment and any levy on growth if applicable. The thirty-three London billing authorities will also continue to retain their current 30 per cent of eligible growth.

1.26 In the provisional local government finance settlement, the GLA's core funding from the government – excluding the TfL capital grant element rolled-in under the pilot – was increased by 10.1 per cent in line with the September 2022 CPI rate, in common with other local authorities. This reflected the announcement in the Autumn Budget that local authorities would be compensated in full for the lost revenues arising from the decision to again freeze the business rates multiplier in 2023-24. This comprised a 10.1 per cent uplift in the GLA's c£0.13 billion of former revenue support grant – a proportion of historic rolled in fire and rescue, policing and GLA general grant – and a 3.7 per cent uplift in funding baselines and a 6.4 per cent increase in multiplier cap compensation delivered via section 31 grant for the remaining c£1.1 billion of baseline funding excluding the TfL capital element. The former capital element, however, has been frozen at the same level as in 2022-23.

1.27 After discounting the uplift already assumed in the consultation budget – which was based on the assumptions set out in the Mayor's budget guidance – it is estimated that there is c£70.8 million of ongoing additional business rates income to allocate. The calculation of this estimate is explained in more detail in Appendix I. The proposed distribution of this additional £70.8m per annum is summarised in part 1. The additional business rates income is c£35 million lower than the £110 million figure set out in the consultation budget as it was assumed at the time that the government would uprate the TfL capital grant by the 3.7 per cent standard baseline funding uplift rather than being frozen in cash terms. Other issues relating to business rates retention affecting the GLA's budget are summarised below.

1.28 On 1 April 2023, business rates bills in England will be updated to reflect changes in property values since the last revaluation in 2017. Across England, the result of the revaluation was a 7.3 per cent uplift in rateable values, but in London the average increase was only 3.3 per cent. The impact of this on the resulting funding levels for the GLA are anticipated to be limited, as the government's intention is that the redistributive impact of revaluations on funding for individual local authorities should be revenue neutral. Based on the provisional data reported in the provisional settlement DLUHC estimate that the GLA's tariff payment will be some £38 million lower as a result of this adjustment before taking into account the impact of its business rates pilot. This reduction reflects the fact that London's share of the total tax take across England is expected to decrease from April 2023. Further details on the impact of the revaluation across London on ratepayers are outlined in Appendix I.

1.29 The GLA holds a business rates reserve (BRR) to manage volatility in business rates income. In 2020-21, prior to the COVID-19 pandemic, the level of this reserve was £188.2 million. As a result of the pandemic and the timing and phasing of the repayment of the resulting business rates deficits including the element arising from the cost of the government funded pandemic relief schemes in 2020-21 and 2021-22 there have been significant year on year movements in this reserve, which are summarised in section 2 and explained in more detail in Appendix I. As a result of the unfunded deficits which have arisen – albeit noting these are subject to change post the completion of the audits of billing authorities' statutory accounts for 2020-21 and 2021-22 – the balance of the reserve was forecast to fall below £60 million by 2025-26 if no remedial action was taken.

1.30 In the Mayor's 2022-23 budget a £71.8 million sum was set aside in the billing authority repayment reserve (BARR) as a risk provision to meet potential future business rates deficits. As the business rates reserve (BRR) has been used to meet such deficits repayable to billing authorities during 2022-23 it is now proposed that £57.3 million of this sum held in the BARR be released to the BRR. This will top up the BRR to £114.2 million as at March 2025. This equates to 5 per cent of the GLA's current settlement baseline funding of £2.28 billion in 2022-23 which was the previous assessment of the funding deficit which would need to be covered in any one year if a fall in business rates income caused the GLA to be in a safety net position within the rates retention system.

1.31 The safety net level is the minimum level of funding the government guarantees a local authority has in the rates retention system irrespective of the level of business rates income collected locally – and an authority is expected to meet a percentage of their baseline funding level before additional government support is triggered in any one financial year. This estimated 5 per cent safety net percentage for the GLA is lower than the 7.5 per cent figure for the majority of local authorities including London boroughs as the GLA forms part of a business rates pilot which means it is subject to a different methodology. This allocation will be kept under review in response to any government changes to the business rates system, while recognising that the balances held in the BRR as approved in the Mayor's original 2020-21 budget have been sufficient to manage the extraordinary impact of the COVID-19 pandemic.

1.32 The GLA does not anticipate that it will be in a safety net position in 2023-24 but there is a risk that it could be in a deficit position against its business rates baseline given the trend in business rates revenues across a number of central London boroughs. It should be noted, for example, that the largest billing authority by taxbase in England – the City of Westminster – which accounts for around one quarter of the GLA's business rates income has been in a safety net position since 2020-21 due in part to the ongoing impact of the pandemic.

1.33 The remaining balance of £14.5 million held in the BARR is proposed to be released to top up the Mayoral Development Corporations (MDC) reserve to assist in meeting future funding pressures on the OPDC and LLDC. The Mayor has also agreed that the MDC reserve should be topped up by an additional £13.4 million from the £20.5 million of Services Grant allocated to the GLA in the provisional settlement.

1.34 Once the government has published the final local government finance settlement – including details on the GLA's settlement funding and business rates baselines taking into account the impact of the 2023 business rates revaluation, its share of business rates income and levy and safety net rates – and the business rates estimates for 2023-24 (including the forecast 2022-23 outturn which will include the updated position for prior years) have been received from London billing authorities and subject to any final allocations to be released to fund expenditure, the balance of the business rates reserve will be reviewed. This updated assessment will be reflected in the Mayor's final draft budget in February.

1.35 In line with the figure published in the provisional local government finance settlement, including the adjustment outlined above to neutralise the impact of the 2023 business rates revaluation on the tax take at individual authority level, the GLA's tariff payment to the government to support services elsewhere in England is, as stated above, now expected to be £735.4 million in 2023-24 which is £12.9 million lower than in 2022-23.

1.36 Retrospective adjustments to the 2023-24 tariff payment will also be made in 2024-25, and then reversed in 2025-26, to correct for changes required as a result of movements between the draft rating list published on 17 November and the final 'complied' rating list introduced on 1 April 2023. However, these revisions will not be confirmed until the 2024-25 provisional local government finance settlement as the compiled list is unlikely to be published until the end of March 2023.

1.37 As a result of the reduced tariff and associated metrics the GLA's levy rate on any business growth (i.e. the share payable to government) is expected to decline from its current 34 per cent level to around 31 per cent. No levy on growth is assumed in the budget at this stage for 2023-24 due to current economic risks and uncertainty arising from the fact that the majority of billing authorities have not finalised their 2021-22 outturn position. Should growth materialise for 2023-24 on the basis of the billing authority returns due to be received at the end of January, an estimate of the levy payable will be reflected in the Mayor's final draft budget alongside the distribution of any growth identified.

1.38 As outlined earlier although the Home Office is starting a review of police funding, the government has confirmed that the implementation of the 'fair funding' review of needs and distribution and business rates reset will not take place during the term of the current Parliament. This means that the GLA will retain any existing growth above baseline – subject to that being confirmed following the receipt of the billing authority estimates in January 2023 and 2024 – for the 2023-24 and 2024-25 financial years. If and when these changes are introduced they would be likely to have a material impact on the GLA's finances over the medium-term.

1.39 In line with the approach in 2022-23, there will not be a pan-London business rates pooling arrangement in 2023-24. However, the joint working and policy work which was in place for the original pool remains through various working groups. Eight London billing authorities are also intending to maintain their separate pool which has been in place since 1 April 2022 in order to minimise the level of levy payments made to the government. One outer London borough is expected to continue to form part of a pool with several Surrey shire districts for the same reasons. These separate local pooling arrangements will not affect the revenues received by the GLA. The GLA is, however, managing the treasury management arrangements and cash flows for the eight authority pool under a separate agreement with the pool's lead authority – the City of London Corporation.

Summary of spending plans and council tax requirement calculation

1.40 Forecast council tax precept income (the 'consolidated council tax requirement') and the other sources of finance for 2023-24, including government grants and fare revenues, are summarised in the following table:

Spending plans and council tax requirements	**2023-24 £m**	**2023-24 %**
Spending plans	15,982.8	100%
Less funding sources:		
Fares income	-5,239.0	33%
Group contributions to functional body expenditure	-106.4	1%
Home Office Police General and Formula Grant	-2,347.1	15%
Other general income	-2,288.2	14%
Retained business rates	-3,168.6	20%
Home Office specific grants for policing	-665.8	4%
Other specific government grants	-522.3	3%
Use of reserves	-387.0	2%
Collection Fund deficits	87.0	1%
Consolidated council tax requirement for GLA Group	**1,345.3**	**8%**

Note: Percentages in the above table represent each funding source's proportion of spending plans.

Funding allocations from sources over which the Mayor has direct control

1.41 The following tables summarise the proposed funding allocations from retained business rates and council tax to the GLA: Mayor and Assembly and the relevant functional bodies for 2023-24 compared to the revised 2022-23 budget. These are the funds which the Mayor has the ability to apply and reallocate across the GLA Group at his discretion, subject to the Assembly's consideration of the Mayor's council tax proposals. Appendix H sets out both a summary and detailed breakdown of the revenue expenditure, government grants and retained rates allocations proposed by the Mayor.

Allocation of funding sources over which the Mayor has direct control

2023-24	Mayor £m	Assembly £m	MOPAC £m	LFC £m	TfL £m	LLDC £m	OPDC £m	Group items £m	Total £m
Council tax	67.4	2.7	904.4	193.6	177.2	0.0	0.0	0.0	1,345.3
Collection fund deficit	-0.6	0.0	-7.2	-1.6	-77.6	0.0	0.0	0.0	-87.0
Business rates	57.4	5.6	86.2	252.3	1,992.2	29.7	7.0	738.3	3,168.6
Total Mayoral funding	**124.2**	**8.3**	**983.4**	**444.2**	**2,091.8**	**29.7**	**7.0**	**738.3**	**4,426.9**

2022-23	Mayor £m	Assembly £m	MOPAC £m	LFC £m	TfL £m	LLDC £m	OPDC £m	Group items £m	Total £m
Council tax	66.7	2.7	849.5	180.7	52.5	0.0	0.0	61.5	1,213.6
Collection fund deficit (Ctax)	-0.6	0.0	-7.2	-1.6	-0.1	0.0	0.0	9.8	0.3
Business rates	125.1	5.3	65.4	242.7	1,897.0	29.3	6.8	918.9	3,290.4
Total Mayoral funding	**191.1**	**8.0**	**907.7**	**421.8**	**1,949.4**	**29.3**	**6.8**	**990.2**	**4,504.3**
Change	**-67.0**	**0.2**	**75.8**	**22.4**	**142.4**	**0.4**	**0.2**	**-251.9**	**-77.4**

GLA Group collaboration

1.42 The GLA Group Collaboration Programme is a portfolio set up by the Mayor to ensure the GLA Group realises the maximum benefits obtainable from collaboration, both within the GLA Group and with other like-minded organisations. Senior Executives from across the GLA Group sit on the Group Collaboration Board which is responsible for strategic oversight and key decision making.

1.43 The programme has developed options for realising benefits from greater collaboration, including efficiencies arising from buying energy more efficiently; utilising the GLA Group's estates better; leveraging procurement processes; and removing duplication in back and middle office support service and other areas not provided exclusively by a member of the GLA Group.

1.44 The programme is self-funding in that its direct costs are paid for by the GLA Group organisations in proportion to each body's share of overall savings achieved. To date, against costs of £2.9 million, it is anticipated over £10 million of savings per annum have been achieved. Of this total savings amount, £7.8 million has been formally validated, including £1.2 million relating to the Group Collaboration Board's accommodation strategy and £6.3 million relating to its collaborative procurement programme. Further programmes, currently ongoing, which will generate additional efficiencies include the group-wide Energy Procurement programme which will deliver significant cashable and non-cashable benefits and the Electric Vehicle Infrastructure Delivery (EVID) project which is looking to utilise land on the GLA Group estate to accommodate rapid Electric Vehicle charging infrastructure.

Environmental impact and Climate Budget

1.45 In response to the climate emergency, the Mayor has brought forward London's net zero target to 2030 and is working through the C40 Cities to drive accelerated action across other global cities. In January, the Mayor published his preferred pathway to net zero based on modelling produced by Element Energy, exploring different ways to deliver that goal. The Mayor's preferred Accelerated Green pathway requires at least £75 billion of investment in infrastructure by 2030 and £108 billion to 2050 across London's economy.

1.46 Time is running out quickly to avoid catastrophic climate change and this decade must be one of action. Taking action to tackle climate change also brings clear benefits to London and Londoners. It tackles social and health inequalities including through cutting air pollution and helps London's green businesses to grow and thrive, creating and supporting good jobs and investment. Achieving net zero by 2030 would reduce the amount Londoners spend on their fuel bills by 44 percent and make an important contribution towards a productive economy with greater resilience against shocks in fossil fuel energy prices.

1.47 The measures needed and the costs of transitioning to a net zero London cannot be met by the Mayor alone, and cannot be done at the expense of the delivery of essential public services. It will also require concerted effort from others including government, London boroughs, public sector organisations, the private sector and Londoners.

1.48 Many important measures are already underway to significantly reduce carbon emissions, while improving London's air quality, such as expanding the Ultra Low Emission zone to Outer London. The Mayor is also using his planning powers to make new homes and buildings far more energy efficient than required by national regulations, stimulating investment in energy efficiency and renewable energy measures. In February 2022, building on his manifesto commitment to deliver a green finance facility, the Mayor announced his first steps by aiming to raise as much as £500 million of capital to invest in green projects, supported by an additional £90 million of GLA budget. Investments across the GLA Group are currently being prioritised with financing of the expansion of ULEZ already being announced in November 2022 and further schemes will be announced shortly.

1.49 Alongside the Mayor, the GLA Group has already made significant progress in reducing its carbon emissions by 53 per cent compared to 2015-16 levels. Over the same time period, Transport for London have reduced emissions by 54 per cent, the Metropolitan Police by 46 per cent and London Fire Brigade by 30 per cent. The London Legacy Development Corporation has reduced its emissions by 3 percent since 2018, when it took over responsibility for the London Stadium.

1.50 This year, for the first time, the GLA Group budget process includes a Climate Budget which shows how each organisation within the group plans to achieve net zero by 2030 across their operations. This includes setting out both funded actions that they will take within this budgeting period and unfunded actions that are needed to meet their 2030 target. It is the Mayor's objective that funded commitments grow and become more significant year on year. This year's climate budget is a pilot, forming a solid foundation to build upon.

1.51 However, it is recognised the GLA Group will not be able to deliver all of the actions needed alone, or through its own funds. The GLA will continue to work with the functional bodies including through the climate budget to increase the pipeline of projects, unlock greater funding and the availability of finance (including through the £90 million of support announced in February 2022 and the new Group-wide £96m Environment Improvement Reserve set out in this budget) to support accelerated delivery. The GLA will also continue to work with the functional bodies and other London stakeholders to remove barriers, increase actions and deliver the Mayor's net zero commitment.

1.52 Alongside ongoing work with boroughs and other London institutions to develop a strong investment pipeline, this Budget supports the development by the Mayor of a green finance facility that will help support over the decade the capability for greater private sector investment into London's priorities. The GLA is working to establish a Finance Facility, to encourage investment alongside private sector investors to unlock opportunity. The role of the UK Investment Bank in supporting the Facility is also being explored. Work will continue to unlock more government funding and to seek more devolved powers to accelerate London's progress.

1.53 In line with the Mayor's 2023-24 Budget Guidance, this proposed budget has been developed to tackle the climate and ecological emergencies, improve air quality and deliver a green new deal for London. As London continues to recover from the economic and social impacts of the COVID-19 pandemic, the Mayor's primary objective is to ensure there is a decisive move towards a better, greener, fairer and cleaner City.

1.54 This vision for London is reflected in the inclusion of an ambitious Green New Deal mission as a core element of the London Recovery Programme, which aims to tackle the climate and ecological emergencies and improve air quality by doubling the size of London's green economy by 2030, helping accelerate job creation for all. The Mayor has brought forward London's net zero target from 2050 to 2030 in recognition of the urgency to take action to tackle climate change.

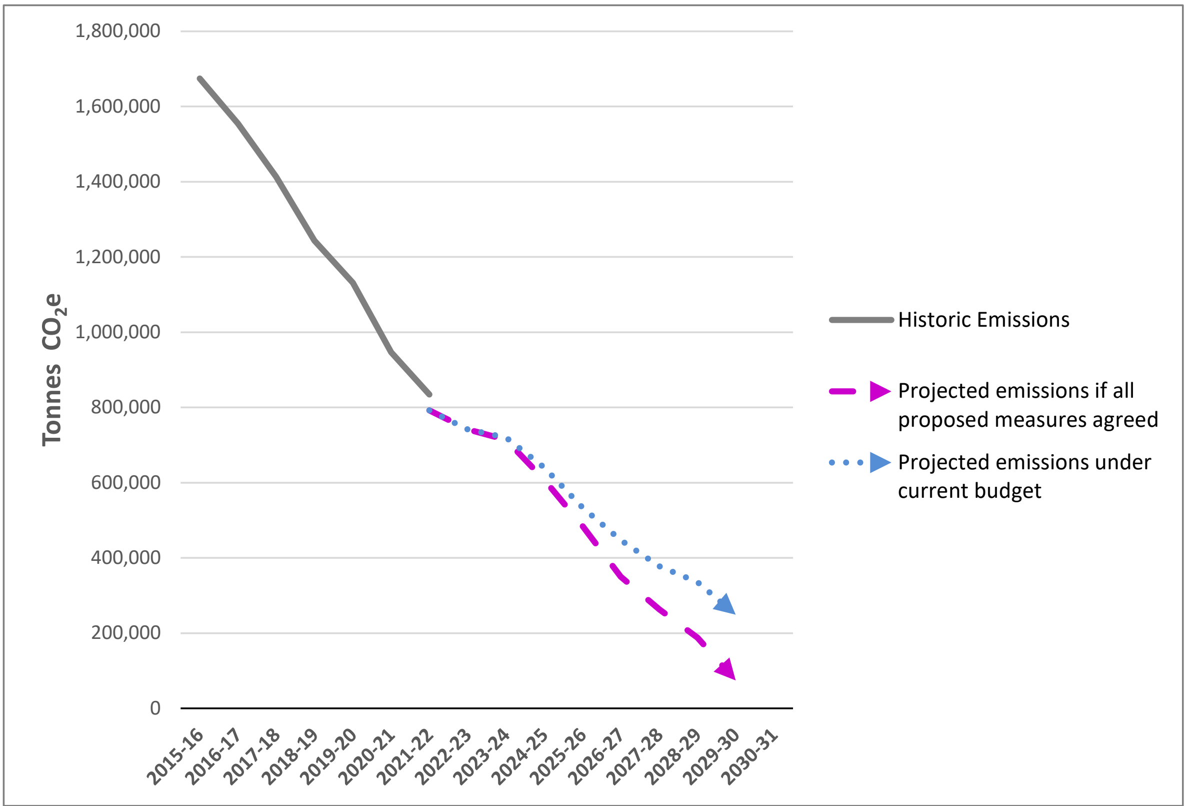
1.55 The GLA Group has a key role in delivering on this programme, based around three themes:

- decarbonising the built environment: scaling up programmes to retrofit existing buildings, create jobs and tackle fuel poverty
- transport and the public realm: accelerating programmes that increase access to green space and support active travel and zero emission fleets, to eradicate air pollution, help adapt to climate change and deliver better health
- green foundations: mobilising funding and finance to support environmental programmes and provide support for the growth of London's clean tech and circular economy businesses to meet London's climate target and supporting a just transition.

1.56 The GLA Group's organisations have, as appropriate, ensured their budget proposals include sufficient resourcing and budget to support the London Environment Strategy and Green New Deal mission, including the commitment to achieve net zero by 2030. An interim assessment of the environmental implications of each component body's budget at this stage of the process is set out in each of their sections.

1.57 Figure 1 highlights the impact of the budget on the GLA Group's carbon emissions. In 2015-16, it is estimated the group produced 1.7 million tonnes of carbon dioxide emissions each year. This has reduced, by 53 per cent to an estimated 793,000 tonnes in 2022-23. The measures contained within this budget are estimated to reduce these emissions to 249,000 tonnes by 2030, a reduction of 85 per cent from 2015-16. If resources can be found to implement the additional measures currently proposed, it is estimated the GLA Group's overall emissions could be reduced to 74,000 tonnes per year, a reduction of 96 per cent on the levels produced in 2015-16. It is expected officers across the GLA Group will continue to develop measures that ultimately achieve the Mayor's ambition for net zero carbon emissions by 2030.

Figure 1: GLA Group impact of budget on carbon emissions



Equalities impact

1.58 Promoting equality, diversity, inclusion, social mobility and social integration are high priorities for the Mayor. The Mayor published a new set of equality objectives for his 'Inclusive London' strategy in November 2022, with the fully updated strategy being due to be published in 2023. The Mayor also worked as part of the London Recovery Board to publish the 'Building a Fairer City' plan in May 2022 which sets out fourteen actions for all organisations to take to address structural inequalities.

1.59 All seven constituent bodies (the Mayor and Assembly and the five functional bodies) must comply with section 149 of the Equality Act 2010. Compliance with the duty is iterative and ongoing. It includes carrying out a process to identify and actively consider potential detrimental impacts (if any) that may arise for individual protected groups and what mitigations (if any) could be implemented to address them at a level proportionate to the decision being taken.

1.60 The constituent bodies undertake this duty at a budget level and in the implementation of their individual policies, programmes and projects. An interim assessment of the equality implications of each component body's budget at this stage of the process is set out in each of their sections.

Consultation process

1.61 Reflecting the Mayor's commitment to transparency and engagement, as in previous years the GLA engaged Londoners proactively in the budget consultation process on Talk London alongside the formal statutory consultation process. The consultation document has been hosted on the Talk London website.

1.62 Londoners have been able to read the consultation document and were asked to comment on the GLA Group Budget Proposals and Precepts 2023-24 within a discussion thread. The consultation closed on 13 January 2023. The results of this engagement, including the views of the Budget and Performance Committee on behalf of the Assembly, will be considered as part of the process of preparing the final budget for 2023-24.

Structure of the draft budget document

1.63 Revenue budget proposals and funding for each constituent body within the GLA Group are presented in Sections 2 to 8 of this document. This includes the Climate Budgets for each of the constituent bodies. The GLA's proposals are shown first and the remainder are presented in order of magnitude of their council tax requirement. Section 9 sets out the proposed Capital Strategy for the GLA Group, including the statutory draft capital spending plan. The individual capital spending plans, capital financing budgets and borrowing limits, as well as the revenue budgets at a subjective level, are set out in Appendices A to F. Appendix G provides a summary of the Group's savings and collaboration activities. Appendices H and I address the medium-term financial outlook for the GLA Group and funding assumptions underpinning the budget proposals. Appendix J provides the tables detailing measures currently included in the Climate Budgets of the constituent bodies, as well as tables detailing currently unfunded and unadopted additional measures that would support the Mayor's ambition to achieve net zero by 2030. Appendix K sets out the remaining key dates in the 2023-24 budget timetable.

1.64 There are also more detailed public documents relating to the budget proposals, including those that have been the subject of individual scrutiny and discussion by the GLA and functional bodies. These are available on the GLA's and functional bodies' websites. Please note that figures in the tables throughout this document may not sum exactly due to rounding.

1.65 For further information on these documents, or in respect of the budget proposals, please contact Enver Enver (Assistant Director Group Finance and Performance) via e-mail (enver.enver@london.gov.uk and GLABudget@london.gov.uk).

Greater London Authority: Mayor of London

2.1 The GLA is the strategic authority for London with a specific role to design a better future for the capital city. The Mayor of London sets a city-wide vision of improvement and, via the GLA, develops strategies, policies and investment programmes to realise this vision. The London Assembly holds the Mayor to account by examining his decisions and actions to ensure he delivers on his promises to Londoners. The Assembly also has the power to amend the Mayor's proposed component budget requirements for the seven constituent bodies and the resulting consolidated council tax requirement (i.e. the sums raised in year via the Mayor's council tax precept).

2.2 For the purpose of setting the annual revenue and capital budgets the Mayor of London and London Assembly must be treated as separate constituent bodies. The component budget for the Assembly comprises estimates for its direct expenditure and income which are set out in Section 3. The budget for the Mayor is set out below. The Mayor's budget includes expenditure incurred on accommodation in relation to the Assembly's business and goods and services provided or procured for the Authority in general.

Key deliverables

2.3 The proposed budget will continue to support the Mayor's ambitions to support London's recovery through the delivery of pan-London Missions agreed and designed through collaborative work between the GLA, London's boroughs, London Councils and other partner organisations:

- **A Green New Deal** – By 2030: double the size of London's green economy thereby accelerating job creation for all and improve air quality to tackle the climate and ecological emergencies
- **A Robust Safety Net** – By 2025: every Londoner will be able to access the support they need to prevent financial hardship
- **High Streets for All** – By 2025: deliver enhanced public spaces and exciting new uses for under-used high street buildings in every borough, working with London's diverse communities
- **A New Deal for Young People** – By 2024: all young people in need will be entitled to a personal mentor and all young Londoners will have access to quality local youth activities
- **Helping Londoners into Good Work** – Support Londoners into good jobs with a focus on sectors key to London's recovery from COVID-19
- **Mental Health and Wellbeing** – By 2025: a quarter of a million wellbeing ambassadors will be in place, supporting Londoners where they live, work and play
- **Digital Access for All** – By 2025: every Londoner will have access to good connectivity, basic digital skills and the device or support they need to be online
- **Healthy Place, Healthy Weight** – By 2025: all London's families will find it easier to eat healthy food and be active where they live, learn, shop, work and play

- **Building Strong Communities** – By 2025: all Londoners will have access to a community hub ensuring they can volunteer, get support and build strong community networks.

2.4 The GLA has developed eight Recovery Foundations that are key areas of GLA investment which support recovery broadly and will underpin the delivery of the Recovery Missions listed above.

Gross revenue expenditure

2.5 The Mayor is proposing an increase in gross revenue expenditure for the GLA: Mayor budget (excluding group items as set out in Appendix A) of £0.1 million in 2023-24 compared to the revised budget for 2022-23. Increases of £6.8 million for staffing costs, an additional £2.5 million for one-off food poverty projects, and £13.2 million of increased capital financing costs are offset by a £22.4 million reduction to supplies and services expenditure.

Net revenue expenditure and council tax requirement

2.6 The net revenue expenditure on services for 2023-24 for the GLA: Mayor's budget is proposed as £586.6 million. This figure is calculated after deducting fees, charges, investment income, business rate supplement (BRS) and Mayoral Community Infrastructure Levy (MCIL) revenues used to finance the Elizabeth line, external contributions towards the financing of the Northern Line Extension and the use of earmarked reserves. This figure also excludes transactions shown separately in the GLA Group items budget, including the estimated £717.5 million business rates retention tariff and levy payment to DLUHC, set out in Appendix A. The GLA: Mayor budget includes an increased provision for staff salary inflation, as well as provision to support Londoners through the cost-of-living crisis. There is also an increase in the cost of back-office functions as a result of continuing investment to improve the quality of services. Savings arise from the anticipated move of technology functions to a shared service arrangement, as well as lower insurance costs than had previously been anticipated. Other savings arise from programmes expiring.

2.7 Based on the proposed net revenue expenditure, after deducting income from retained business rates and government grants, the statutory council tax requirement for the GLA: Mayor's budget for services is £67.4 million.

2.8 The GLA: Mayor's budget on a directorate (i.e. objective) basis is set out in the following table:

Objective analysis GLA: Mayor services	Revised Budget 2022-23 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Good Growth	96.4	94.1	74.1	65.0	60.8
Housing & Land	59.2	60.1	64.8	41.1	35.0
Communities & Skills	447.9	445.1	449.3	398.5	398.2
Strategy and Communications	24.0	24.4	27.7	27.7	24.8
Resources	34.4	34.0	29.6	29.4	31.7
Chief Officer	6.0	8.0	7.9	7.0	7.8
Mayor's Office	5.4	5.4	5.6	5.7	5.8
Elections	2.2	2.2	4.8	21.3	6.5
Directorate Expenditure	**675.5**	**673.3**	**663.7**	**595.7**	**570.6**
Contingency	1.0	1.0	1.0	1.0	1.0
Other service expenditure	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Financing costs – Crossrail	130.0	130.0	135.0	128.0	124.0
Financing costs – Northern Line Extension	20.0	20.0	18.0	18.0	18.0
Financing costs – other	3.4	3.3	1.8	1.6	1.5
Provision for repayment of debt/ other grant payments - LLDC	0.0	0.0	11.8	11.8	11.8
Financing Costs	**153.4**	**153.3**	**166.6**	**159.4**	**155.3**
Interest receipts	-27.0	-54.9	-36.0	-31.4	-26.3
Crossrail BRS and MCIL	-130.0	-130.0	-135.0	-128.0	-124.0
NLE contributions	-20.0	-6.0	-4.0	-8.0	-13.0
Interest receipts GLAP loan	-15.0	-12.2	-15.0	-15.0	-15.0
Income	**-192.0**	**-203.1**	**-190.0**	**-182.4**	**-178.3**
Net service expenditure and income	**637.9**	**624.4**	**641.3**	**573.7**	**548.6**
Transfer to/ (from) reserves held for GLA services	-21.3	6.2	-28.8	-16.0	2.2
Transfer to/ (from) reserves held for Group items	-41.9	-55.9	-25.8	-21.8	-5.0
Gap to be funded	0.0	0.0	0.0	-8.9	-21.0
Net financing requirement	**574.7**	**574.7**	**583.2**	**525.9**	**523.8**
Specific grants	371.0	371.0	459.9	400.2	396.2
Retained business rates	125.1	125.1	57.4	58.7	59.9
Services grant	12.6	12.6	2.5	0.0	0.0
Council tax collection fund deficit	-0.6	-0.6	-0.6	0.0	0.0
Council tax requirement	**66.7**	**66.7**	**67.4**	**68.0**	**68.7**

Note - The GLA: Mayor business rates allocation for 2022-23, 2023-24 and future years has been reduced by £0.2m from the published budget to reflect the transfer of recurring funding to the London Assembly for the 2022-23 pay award.

2.9 Given the GLA's resources are being directed to London's recovery, the GLA: Mayor is also reporting on progress against the Missions and Foundations referred to above. The table below restates the GLA Directorate expenditure line for 2023-24, 2024-25 and 2025-26.

Missions and Foundations	**Gross Expenditure 2023-24 £m**	**Gross income 2023-24 £m**	**Net Expenditure Budget 2023-24 £m**	**Net Expenditure Plan 2024-25 £m**	**Net Expenditure Plan 2025-26 £m**
Missions					
A Green New Deal	33.9	-6.1	**27.8**	**23.9**	**19.8**
A Robust Safety Net	90.3	-68.4	**21.9**	**14.9**	**14.6**
High Streets For All	9.2	-6.9	**2.3**	**1.4**	**1.5**
A New Deal For Young People	46.1	-39.6	**6.6**	**3.1**	**3.0**
Helping Londoners Into Good Work	253.1	-246.3	**6.8**	**7.4**	**7.4**
Mental Health & Wellbeing	19.6	-18.9	**0.7**	**0.7**	**0.7**
Digital Access For All	23.4	-22.2	**1.2**	**1.1**	**0.8**
Healthy Place, Healthy Weight	20.3	-18.9	**1.4**	**1.1**	**1.1**
Building Strong Communities	32.3	-29.3	**3.0**	**3.1**	**2.8**
Foundations					
Engaging Londoners	2.3	-0.1	**2.2**	**1.7**	**1.7**
Public Health And Health & Care Partnerships	2.9	-0.2	**2.6**	**2.7**	**2.7**
Equality, Diversity And Inclusion	2.9	0.0	**2.9**	**1.6**	**1.5**
Transport And Infrastructure	5.4	-3.7	**1.7**	**1.6**	**1.4**
Supporting Businesses, Jobs And Growth	24.5	-2.9	**21.5**	**18.9**	**18.6**
Spatial Development	14.8	-9.6	**5.2**	**4.1**	**2.9**
Capital Investment, Including Affordable Housing Programme	17.0	-8.6	**8.4**	**5.4**	**5.3**
Recovery Programme Support	0.1	0.0	**0.1**	**0.0**	**0.0**
Core					
Finance	6.8	-3.4	**3.4**	**2.7**	**2.6**
Human Resources	5.0	-0.2	**4.8**	**4.0**	**4.0**
Technology	4.3	-0.4	**3.9**	**3.9**	**3.9**
Governance	1.2	-0.6	**0.6**	**0.7**	**0.7**
Shared Services & Corporate	14.6	-1.9	**12.7**	**13.2**	**15.6**
Estates	12.1	-2.8	**9.3**	**9.3**	**9.3**
Analysis & Intelligence	5.8	-1.3	**4.6**	**5.0**	**4.8**
External Relations	6.2	-0.3	**5.9**	**5.9**	**6.0**

Missions and Foundations	Gross Expenditure 2023-24 £m	Gross income 2023-24 £m	Net Expenditure Budget 2023-24 £m	Net Expenditure Plan 2024-25 £m	Net Expenditure Plan 2025-26 £m
Government Relations	0.6	-0.1	**0.5**	**0.5**	**0.5**
Mayor's Office	5.7	0.0	**5.6**	**5.7**	**5.6**
Corporate Management Team	4.6	0.0	**4.5**	**4.4**	**5.3**
Statutory Planning	6.6	-3.1	**3.5**	**3.6**	**3.5**
Fire & Resilience	0.4	0.0	**0.4**	**0.4**	**0.4**
City Operations	1.5	-0.2	**1.3**	**1.4**	**1.3**
Museum Of London	7.6	0.0	**7.6**	**7.6**	**7.6**
Events	9.8	0.0	**9.8**	**9.5**	**7.0**
Elections	4.8	0.0	**4.8**	**21.3**	**6.5**
International Relations	0.4	0.0	**0.4**	**0.4**	**0.4**
Digital Transformation	4.5	0.0	**4.5**	**4.3**	**4.3**
Total including specific grants and contingency	**700.5**	**-495.9**	**204.6**	**196.4**	**175.1**
Contingency	-1.0	0.0	**-1.0**	**-1.0**	**-1.0**
Specific grants	0.0	459.9	**459.9**	**400.2**	**396.2**
Total Directorate Expenditure	**699.5**	**-36.0**	**663.7**	**595.6**	**570.6**

Explanation of budget changes

2.10 An analysis of the year on year movement in the proposed council tax requirement for the GLA: Mayor compared to the revised budget for 2022-23 is set out below. An explanation of each change is provided in the paragraphs that follow.

Changes in the council tax requirement	£m	£m
2022-23 council tax requirement		66.7
Changes due to:		
Net change in service expenditure and income		3.4
Including:		
Savings and efficiencies	*-2.4*	
Inflation	*6.0*	
Change in use of reserves		8.5
Government grants		-78.9
Retained business rates funding		67.7
2023-24 council tax requirement		**67.4**

Net change in service expenditure and income

2.11 The 2023-24 budget proposes a net increase in service expenditure and income of £3.4 million compared to the revised budget for 2022-23. Directorate expenditure in 2023-24 is £11.8 million lower than the revised budget 2022-23, largely due to expenditure included in 2022-23 not recurring in 2023-24 relating to prior years' unspent grants and agreed directorate carry forwards from 2021-22. Financing costs increase by £13.2 million from the revised budget in 2022-23 due to the contribution to the repayment of debt for LLDC. Income is forecast to reduce by £2 million in the proposed 2023-24 budget from the 2022-23 revised budget, due to a £16 million reduction in contributions towards the financing of the NLE. This reduction in income is partially offset by an additional £9 million of interest receipts on GLA cash balances and £5 million additional Crossrail BRS and MCIL receipts.

Savings and efficiencies

2.12 The budget incorporates planned savings and efficiencies of £2.4 million. This includes £1.3 million relating to reprioritised programmes, £0.7 million arising from team restructures, £0.2m relating to insurance costs and £0.2 million relating to the part year impact of transferring technology services into a shared service arrangement.

Inflation

2.13 The budget includes a provision for inflation of £6 million. This includes £5.7 million relating to pay-related inflation providing for a pay award equivalent to six per cent of salaries, and £0.3 million relating to other inflationary pressures.

Change in use of reserves

2.14 The budget proposes a net decrease in the use of reserves of £8.5 million from the revised budget for 2022-23. A summary of drawdowns for the proposed 2023-24 budget is shown in the reserves section. Changes in reserve movements as a result of group items are outlined in the group items section.

Net change in retained business rates, specific grants and council tax collection fund surplus

2.15 There is a £67.7 million decrease in income from retained business rates in 2023-24, compared to the revised 2022-23 budget. This is largely due to one off allocations from the 2022-23 budget setting process not recurring in 2023-24.

2.16 The planned budget for government grants in 2023-24 is forecast to increase by £78.9 million primarily due to higher Adult Education Budget and European Social Fund grant, as well as new external funding allocations for skills multiply, skills bootcamps, domestic abuse and rough sleeping. Of the £20.5 million Services Grant awarded in the local government finance settlement, £2.5 million has been allocated to the GLA Mayor budget to enable a one-off project to provide meals to eligible children during school holidays.

Capital financing costs for the Elizabeth Line (Crossrail) and the Northern line extension

2.17 On 30 November 2020, the GLA, TfL and the Department for Transport (DfT) agreed a revised funding deal under which the GLA would provide an additional £825 million contribution to allow the completion of the Elizabeth line. Of this, £554 million was transferred to TfL in 2021-22 and the balance of £271 million is expected to be paid over by 31 March 2023. In his 2022-23 budget the Mayor also agreed to provide an additional £48.5 million of GLA funding to complete the project. The Mayor's contribution was matched by further additional funding, from the DfT, of £50 million agreed as part of the TfL funding deal agreed in August 2022. This additional £50 million government contribution is reflected in the Elizabeth line figures contained in TfL's capital spending plan at Appendix D.

2.18 Taking into account direct contributions towards the project the GLA will have provided around £7 billion towards the project since 2010, financed using revenues from the Crossrail business rate supplement (BRS) and Mayoral Community Infrastructure Levy (MCIL). The GLA is forecast to have approximately £4.5 billion of residual borrowing as at 1 April 2023 which is owed to the Public Works Loans Board, the Department for Transport and bondholders. This debt is not expected to be repaid until the early 2040s noting that the GLA will be permitted to apply MCIL revenues towards financing costs until March 2043 and the end date assumed for the Crossrail BRS remains at 31 March 2041. The GLA is budgeting to incur approximately £130 million in capital financing costs on this debt in 2023-24 but BRS and MCIL income combined is expected to exceed £350 million – with the balance being set aside to repay the GLA's associated residual Crossrail debt.

2.19 The Mayor will confirm his policies for the Crossrail Business Rate Supplement for 2023-24 by early February. These policies will need to be updated to reflect the impact of the draft 2023 business rates revaluation list published on 17 November 2022. It is anticipated that the current £70,000 qualifying rateable value threshold will need to be increased to reflect the overall increase in valuations across London. It is not anticipated that the revaluation will materially affect the level of BRS income – which is forecast at approximately £255 million in 2022-23. The BRS taxtake is likely to decline, however, in some central London boroughs – primarily Westminster and Kensington and Chelsea – offset by increases across the rest of the capital.

2.20 The Northern Line Extension to Battersea Power Station and Nine Elms opened in September 2021. The GLA paid its final instalment of its £1 billion contribution towards the cost of Northern line extension (NLE) in 2021-22 albeit there is a small residual payment budgeted to be paid for one element of the project towards the end of 2022-23.

2.21 Following the opening of the NLE a further £105.2 million was triggered in developer contributions in 2021-22 and the business rates reserve (BRR) has been reimbursed for the £22.6 million draw down arising from financing the 2019-20 and 2020-21 deficits using these funds. This additional revenue also covered the in-year shortfall for 2021-22. These deficits represented short term cash flow issues pending the anticipated growth in business rates income locally from the Battersea Power Station development and the remainder of the statutory designated area which were managed through a temporary repayable drawdown from the BRR.

2.22 The estimated remaining £63.7 million of the £105.2 million developer contributions received in 2021-22 was transferred to a newly created NLE reserve. This reserve is being held as a provision to meet capital financing costs in the short-term should the business rates income from the local designated area be insufficient in any year. A forecast planned drawdown of this reserve to 2025-26 in order to fund the financing costs set out in the GLA's subjective and objective tables is included in the reserves tables at the end of this section.

2.23 Now the NLE has opened the level of business rates income from the local designated area is expected to increase substantially over the next two to three years as the new office and retail space on the Battersea Power Station site becomes occupied – so any shortfall is expected to only occur for a temporary period. Any unused balance on the NLE reserve not required to meet capital financing costs will be available to be applied for the earlier repayment of the GLA's NLE related borrowing of approximately £1 billion. Business rates growth in the area is retained to support the financing and repayment of this borrowing until March 2041 with the potential for an extension for a further five years should this be required.

Responding to the London Recovery Board's missions

2.24 As last year, within the allocations to support the recovery foundations and missions, expenditure which will directly contribute to tackling inequalities in London includes:

- work to address both the specific barriers facing some groups of Londoners in the labour market, and the wider challenges facing Londoners who are unemployed or on low wages, including utilising AEB and ESF funding to its full potential
- use of GLA reserves to support young Londoners, with a renewed focus on those who face particular disadvantage
- support for partnership working to tackle key health inequalities which have been exacerbated by the pandemic, in particular with respect to mental health and access to healthy food
- prioritisation of the GLA's work to tackle homelessness across London, in line with the ambition to end rough sleeping for good, despite ongoing uncertainty about the availability of funding from central government
- continued resources allocated to work directly supporting Londoners on low incomes to help them avoid financial hardship

- consolidation of work to support communities, including resources to protect 'at risk' cultural and community infrastructure, strategic support for the civil society organisations who address longstanding inequalities and support for Londoners most affected by the pandemic
- working with London's diverse communities to secure and improve the availability of civic and community infrastructure, including through repurposing vacant and underused buildings, on London's high streets and in its town centres, and securing access to affordable creative workspace for local communities through Creative Enterprise Zones
- work to tackle digital inequalities for learners, jobseekers and others, alongside a programme to ensure new fibre networks reach currently underserved communities
- work to reduce air pollution, the effects of which are felt disproportionately by London's disadvantaged and Black, Asian and minority ethnic communities and which have been demonstrated to exacerbate the health impacts of COVID-19
- programmes to improve the quality of and access to green space in London, with a focus on tackling the comparative lack of good quality green space in areas with significant ethnic minority populations and high levels of poverty.

Reserves

2.25 The Business Rates Reserve (BRR) is used primarily to manage income risk and volatility relating to the GLA Group's c£3.3 billion per annum of business rates (including the Crossrail BRS) and £1.3 billion of council tax revenues. The balance held on the business rates reserve, as at 31 March 2022 as reported in the GLA's statutory 2021-22 accounts, was around £1 billion which included approximately £0.7 billion of accrued section 31 grant income for pandemic related business rates reliefs in 2021-22 which is repayable to billing authorities by March 2023. Without intervention – due to final 2020-21 deficits for some billing authorities being higher than they originally estimated in January 2021 – the balance of this reserve is forecast to decline to below £60 million in 2025-26 without remedial action.

2.26 The Executive Director of Resources considers that the aspiration should be to restore the Business Rates Reserve to a level that reflects the risks to future tax revenues, taking account of the actual level of support from the government that will be forthcoming. As explained in section 1, above, and Appendix I the BRR is being topped up by £57.3 million to £114.2 million at 31 March 2025 by releasing the £71.8 million sum budgeted in 2022-23 to be held in the billing authority repayment reserve. This £114.2 million target balance equates to the sum the GLA estimates it would need to meet before government compensation is triggered were it to be in a safety net position . The only drawdown assumed in 2025-26 relates to the £5 million of support provided to the 33 local authorities to maximise business rates and council tax income which is in effect self-financing as a result of the additional revenues which result. The billing authority repayment reserve created in the Mayor's 2022-23 budget has therefore been deleted as it has outlived its intended purpose.

2.27 There is great uncertainty over the level of retained business rates income the GLA will receive in future years, as explained in Appendix I and therefore the balance on this reserve will be reviewed in the final draft budget to take into account the updated resource position following the final government settlements and billing authority income estimates due at the end of January. It should be noted that the target £114.2 million balance equates to less than 2.5 per cent of the Mayor's annual forecast combined income from council tax, business rates and the Crossrail BRS in 2023-24.

2.28 The Strategic Investment Fund (SIF) reserve was created to manage the draw down of the approximately £185 million of additional business rates growth generated for the GLA under the 2018-19 and 2019-20 London business rates pilots. The reserve is forecast to be fully utilised by the end of 2023-24 as the remaining expenditure on the approved strategic investment projects is incurred.

2.29 The Mayoral Development Corporation (MDC) reserve is ringfenced to support LLDC and OPDC, as a contingency held for any unexpected costs and to assist them in managing year on year variances in their expenditure. The balance on the reserve is now forecast to increase from £18.0 million at the end of 2021-22 to £23.9 million by the end of 2025-26 reflecting additional support being provided to both the OPDC and LLDC. The balance is after topping up the reserve in the current financial year with the remaining £14.5 million of the £71.8 million sum which was originally budgeted to be held in the BARR and an additional £13.4 million uplift being provided from a share of the 2023-24 Services Grant. Capitalisation of OPDC costs may reduce the calls on this reserve in the years ahead, in which case its level would be reviewed.

2.30 A transport services funding reserve was created in 2021-22 as approved in the Mayor's 2022-23 budget. This reserve was budgeted to hold the £216.9 million pro rata TfL share of the £258.8 million originally unallocated business rates income for 2021-22. This is being topped up by an additional £44.5 million of one-off in-year council tax and business rates income and the £60 million uplift in the GLA's settlement baseline funding made in the final 2022-23 local government finance settlement. After taking into account the planned transfers to TfL from this reserve in 2022-23, the balance of this reserve is forecast to be £287.8 million at the end of March 2023.

2.31 Around £110 million for scrappage schemes will also be transferred to TfL from the Transport Services Funding Reserve between 2022-23 and 2025-26. As set out in part 1 the £71 million funding for maintaining the bus network previously allocated from the transport reserve is now assumed to be met from ongoing retained business rates income. This transport services funding reserve is currently assumed for planning purposes to be drawn down in full by the end of 2025-26 but at this stage approximately £100 million remains unallocated – this being the forecast closing balance in the tables below as at 31 March 2026. Decisions on the application of the residual unallocated balance held in this reserve will be taken by the Mayor in due course based upon the financial risks facing TfL and figures will be adjusted accordingly.

2.32 The Mayor has decided to create a new Group-wide Environmental Improvement (EI) reserve to fund projects to deliver initiatives associated with achieving this objective. The balance on this reserve is forecast to be £96 million at the end of March 2024 as this transfer is assumed to take place in the 2023-24 financial year. This has been created, primarily, by releasing the c£71 million to maintain the bus network assumed in the consultation budget over the next three financial years which was previously being funded from the transport services reserve as outlined above. The balance of £25.1m has been transferred from the transport services reserve. Plans for the use of this reserve will be set out as the GLA's green finance work moves forward.

2.33 The NLE reserve as outlined in the NLE and Crossrail section above has been established to manage short term deficits between the GLA's capital financing costs and the local income received in developer contributions and business rates growth in the designated area. The balance on this reserve is forecast to be £42.2 million at 31 March 2023 declining to £13.2 million at the end of 2025-26. Once the GLA can be certain the in-year business rates growth receipts from the local designated area are sufficient to meet its annual financing costs and to allow it to commence repayment of its £1 billion of NLE related debt – which may be earlier than the current profiled drawdown implies – it will release the balance on this reserve for the latter purpose.

2.34 The GLA's general reserve will be maintained at £10.0 million until the end of the planning period.

2.35 The balance of core GLA earmarked reserves (i.e. excluding group reserves) at the end of 2023-24 is forecast to be £277.9 million. This predominantly consists of £86 million for Green Finance, £49 million for revenue grants unapplied, £29 million for the Young Londoners' Fund, £25 million for the Museum of London and £14 million for the May 2024 GLA elections. The committed use of earmarked reserves over the planning period is set out below, subject to change. The usage of reserves will be adjusted as expenditure plans are agreed.

Net use of GLA Earmarked reserves	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
GLA Elections	-5.6	-12.0	6.5
Sports Events	-2.8	-2.9	-0.6
City Hall move cost repayment	3.2	3.2	3.2
RTB interest receipts	-3.9	-3.9	-3.9
Reprofiling from prior years	-18.3	0.0	0.0
GLA green bond	-4.0	-6.0	-5.0
New Museum of London	3.0	3.0	3.0
Other net draw down from grants unapplied	-0.4	2.6	-1.0
Total	**-28.8**	**-16.0**	**2.2**

2.36 The Capital Programme Reserve is forecast to have a balance of £23.9 million at the close of 2022-23 and reduce to £13.0 million by the close of 2025-26. The LLDC Capital Funding reserve, estimated to be £57.1 million at the end of 2022-23, will be applied to provide funding to the development of East Bank and other LLDC capital schemes in 2023-24 and later years. The table below shows the forecast movement in GLA reserves each year.

Movement in reserves during financial year	Outturn 2021-22 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Opening balances	2,340.8	1,862.9	989.1	724.4	680.7
Transfers to/from:					
Business Rates Reserve	-626.7	-803.0	-63.2	-21.6	-5.0
Northern Line Extension reserve	63.7	-21.5	-14.0	-10.0	-5.0
Mayoral Development Corporation Reserve	-17.7	15.3	0.0	-5.0	-4.4
Transport Services Funding Reserve	216.9	71.0	-187.5	-0.3	0.0
Environmental Improvement Reserve	0.0	0.0	96.0	0.0	0.0
Reserves earmarked for GLA services	-2.5	6.2	-28.8	-16.0	2.2
Capital Programme Reserve	-7.7	-10.1	-5.9	-2.6	-2.4
LLDC Capital funding reserve	-86.9	-101.5	-33.3	12.0	7.2
Strategic Investment Fund	-17.3	-30.0	-27.8	0.0	0.0
Assembly Reserve	0.3	-0.2	-0.2	-0.2	-0.5
General Reserve	0.0	0.0	0.0	0.0	0.0
Closing balances	**1,862.9**	**989.1**	**724.4**	**680.7**	**672.8**

2.37 The forecast total reserves at the end of each financial year are summarised below:

Total reserves at end of financial year	Outturn 2021-22 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Business Rates Reserve	1,001.9	199.0	135.7	114.2	109.2
Northern Line Extension reserve	63.7	42.2	28.2	18.2	13.2
Mayoral Development Corporation Reserve	18.0	33.3	33.3	28.3	23.9
Transport Services Funding Reserve	216.9	287.8	100.3	100.0	100.0
Environmental Improvement Reserve	0.0	0.0	96.0	96.0	96.0
Reserves earmarked for GLA services	300.5	306.7	277.9	261.8	264.0
Capital Programme Reserve	34.0	23.9	18.0	15.4	13.0
LLDC Capital funding reserve	158.6	57.1	23.8	35.8	43.1
Strategic Investment Fund	57.8	27.8	0.0	0.0	0.0
Assembly Reserve	1.6	1.4	1.2	1.0	0.5
General Reserve	10.0	10.0	10.0	10.0	10.0
Total	**1,862.9**	**989.1**	**724.4**	**680.7**	**672.8**

GLA Group items

2.38 The following table sets out the budget for GLA Group related items. The budget for these items is controlled by the Mayor. These GLA Group items are managed through resources that are held within the GLA: Mayor but are distinct from the service related items that are set out in the objective and subjective tables.

GLA Group Items	Revised Budget 2022-23 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Group collaborative and responsible procurement	0.9	0.9	2.9	2.9	2.9
Borough income maximisation initiatives	5.0	7.5	5.0	5.0	5.0
Strategic investment fund	30.0	30.0	27.8	0.0	0.0
NLE contributions applied for capital spending	0.0	7.5	0.0	0.0	0.0
NLE reserve application for in year forecast deficits	14.0	14.0	14.0	10.0	5.0
Functional body funding					
LLDC expenditure funded from Group Items	3.8	9.5	9.6	0.4	0.0
OPDC expenditure funded from Group Items	0.0	0.9	7.7	9.4	4.4
GLA expenditure funded from Group Items	41.9	50.9	11.8	11.8	0.0
TfL expenditure funded from Group Items	48.4	138.8	91.5	0.3	0.0
Collection fund payments					
Residual/forecast NNDR sums payable to billing authorities	86.5	86.5	109.0	0.0	0.0
Billing authority net repayments including pandemic deficits	29.1	754.3	11.0	0.0	0.0
Tariff and levy payments to DLUHC	793.6	793.6	735.4	735.4	735.4
Total gross revenue expenditure	**1,053.3**	**1,894.5**	**1,025.8**	**775.2**	**752.7**
Income					
2020-21 NNDR deficit to be recovered from TfL	-155.5	-78.1	-77.6	0.0	0.0
Interest receipts from LLDC on Loans	0.0	-11.2	0.0	0.0	0.0
Total gross revenue income	**-155.5**	**-89.3**	**-77.6**	**0.0**	**0.0**
Total GLA Group Item expenditure	**897.8**	**1,805.2**	**948.2**	**775.2**	**752.7**
Transfer to/from (-) MDC reserve	-3.8	15.3	0.0	-5.0	-4.4
Transfer to/from (-) SIF reserve	-30.0	-30.0	-27.8	0.0	0.0
Transfer to/from (-) NLE reserve	-14.0	-21.5	-14.0	-10.0	-5.0
Transfer to/from (-) Transport reserve	166.0	71.0	-187.5	-0.3	0.0
Transfer to/from (-)Environmental Improvement reserve	0.0	0.0	96.0	0.0	0.0
Transfer to/from (-) BRR reserve	-10.0	-803.0	-63.2	-21.6	-5.0
Financing requirement	**1,006.0**	**1,037.0**	**751.7**	**738.3**	**738.3**
DLUHC Services Grant	15.8	15.8	13.4	0.0	0.0
Council tax collection fund surplus/ (deficit)	9.8	9.8	0.0	0.0	0.0
Retained business rates	918.9	949.9	738.3	738.3	738.3
Council tax requirement	**61.5**	**61.5**	**0.0**	**0.0**	**0.0**

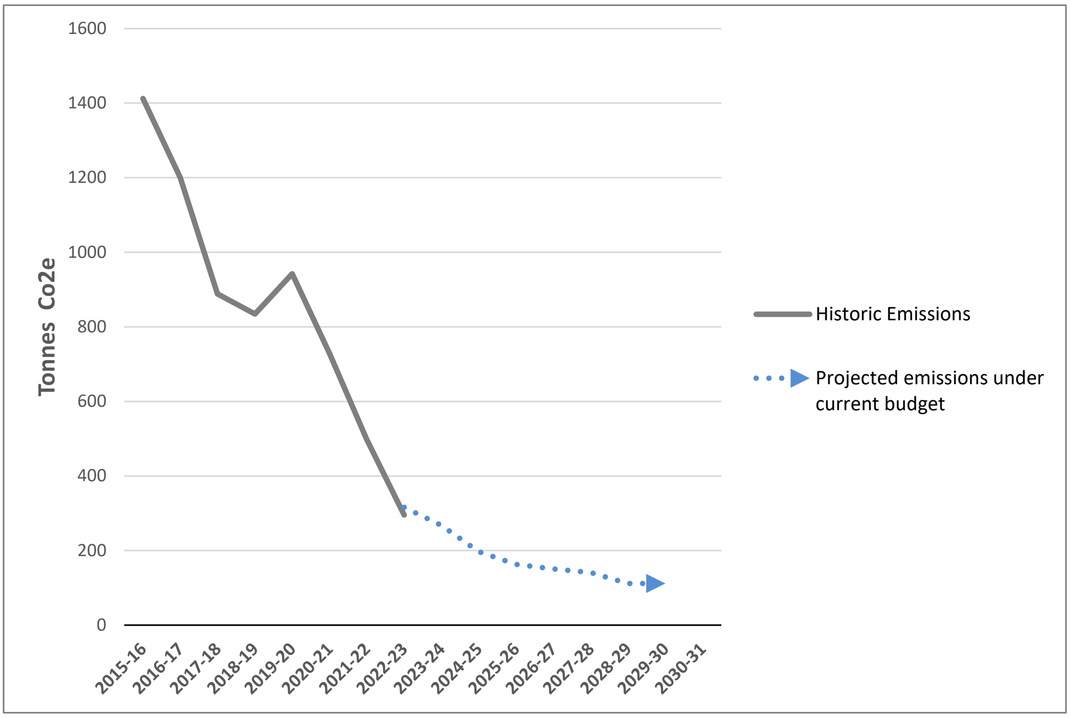
Environmental impact and Climate Budget

2.39 This section of the budget outlines how the GLA is, through its own operations, supporting the Mayor to achieve his net zero target. Included within the scope of the GLA's 2023-24 climate budget are emissions associated with the energy demand at City Hall and Trafalgar Square. The offices used by the GLA at Union Street are the responsibility of the London Fire Commissioner and are reflected in Section 5. Crystal Palace National Sports Centre is not included within the GLA's emissions trajectory and climate budget but will be included within next year's budget.

2.40 As a subsidiary company of the GLA, GLA Land and Property (GLAP) is one of the largest public sector landowners in London with primary aims of creating jobs and affordable housing. Whilst GLAP does not provide a budget submission to the Mayor in the same manner as the rest of the GLA Group, funded and unfunded (and as yet unadopted) climate measures have been identified in Appendix J for the estate under GLAP control.

2.41 Figure 2, below, summarises GLA: Mayor emissions to date, and expected emissions to 2030. It can be seen, in 2015-16, it is estimated GLA: Mayor produced 1,400 tonnes of carbon dioxide emissions each year. This has reduced, by 79 per cent to an estimated 296 tonnes in 2022-23. The measures contained within this budget are estimated to reduce these emissions to 112 tonnes by 2030, a reduction of 92 per cent from 2015-16.

Figure 2: GLA: Mayor impact of budget on carbon emissions



2.42 The main climate measures currently included in the GLA's budget submission for 2023-24 to 2025-26 are set out in the table below (for further detail see Appendix J). They focus on optimising energy consumption at City Hall, refurbishing mechanical vents and replacing the remaining non-LED lighting. Costs are estimates and will be updated once quotes are received from potential contractors:

Climate measure	Anticipated reduction in CO_2 emissions 2023 to 2026	Anticipated total funding required 2023 to 2026 (£'000k)	Type of funding required (capital/revenue or mixed)
Energy monitoring system to baseline energy consumption and identify further projects	Enabling measure	40	Revenue
Complete LED lighting project at City Hall	41 (current estimate)	200	Capital
Thermal comfort policy	Enabling measure	50	Revenue
Investigate City Hall pump optimisation and control	Enabling measure	30	Capital
City Hall mechanical vents refurbishment	18 (current estimate)	600	Capital

<u>Green tariffs and air travel</u>

2.43 The GLA's energy provider is Ecotricity which is a 100 per cent renewable energy provider.

2.44 Emissions from staff air travel for 2021-2022 were 21.3 tonnes of CO2e. The GLA offsets any carbon emissions from flights using Gold Standard Certified Emissions Reductions projects, by purchasing credits from Carbon Footprint Ltd.

<u>Future measures</u>

2.45 Emissions for City Hall and Trafalgar Square are already low. Over the course of 2023-24, the Facilities Management team will focus on optimising City Hall operations and identifying if any further measures can be taken at City Hall or Trafalgar Square to reduce emissions further. The GLA will also continue to work with TfL and the other GLA Group members to pursue a Group-wide Power Purchase Agreement (PPA), for additional renewable energy capacity, to follow on from the initial PPA that will be secured by TfL and help take emissions for the building down to net zero. As noted previously, work is also required to understand and quantify the measures that can be taken to reduce emissions from the Crystal Palace National Sports Centre, as part of the Mayor's significant investment in the renewal of this facility.

Equalities impact

2.46 This budget sets out how the GLA will resource work to reduce inequalities in London, particularly in light of the disproportionate impact of the pandemic and the cost of living crises. This work includes:

- supporting the ongoing allocation of resources to allow for engagement with London's communities through the GLA's programmes with an emphasis on communities and groups who face the greatest challenges and structural inequalities
- drawing on GLA reserves to ensure that Londoners who have been most negatively impacted by the pandemic and cost of living crises continue to be supported at the time when they are most likely to be facing economic and social inequalities
- delivering the Mayor's equalities objectives in the revised 'Inclusive London' objectives published in November 2022
- supporting city-wide implementation of the London Recovery Board's 'Building a Fairer City Plan' to tackle structural inequalities (published in May 2022).

2.47 The new objectives for the Mayor's 'Inclusive London' Strategy set out his priorities for tackling inequalities in relation to a range of areas including housing, air quality and access to green space, financial hardship and the labour market. The objectives provide information on key projects and programmes the Mayor is funding in order to address inequalities in each of these areas.

2.48 The activities, highlighted above, sit alongside corporate work to deliver EDI objectives for the GLA as an employer, as set out in the GLA's workforce EDI strategy, We Belong Here, which highlights three strategic objectives as key to achieving the outcome of a GLA that is diverse, equal, representative and inclusive. The strategy is being implemented under the Inclusion Programme and there are two immediate, equal priorities for the organisation: addressing racial inequality and disability inequality. A dedicated EDI budget for the Inclusion Programme of £0.7 million annually is committed in the GLA draft budget for 2023-24. Funding has been identified in the transformation budget to cover the estimated cost of £221,300 for 2022-23 and in later years

2.49 In accordance with the Public Sector Equality Duty and the GLA's Policy, Engagement and Delivery guide, officers will continue to assess the likely impacts of the proposals set out in this budget on different groups of Londoners as they are further developed and refined. Equalities assessments of individual programmes will be carried out as appropriate, building on the evidence base about the equalities impact of the pandemic. The organisation is also undertaking work through the GLA's corporate EDI Programme to improve the way in which equalities assessments are undertaken, and resources may be allocated to support this.

2.50 The GLA will closely monitor the potential impact of changes on diversity and inclusion within the organisation, following its Organisational Change Policy and Procedure, including undertaking individual Equality Impact Assessments for any major restructures that are brought forward for consultation. The organisation will continue to strive to meet its commitment to ensuring that the GLA's workforce, including its senior staff, are representative of London's working age population.

2.51 The GLA's published budget submission can be found here.

Greater London Authority: London Assembly

3.1 The separate component budget for the London Assembly comprises GLA costs arising in respect of Assembly Members, employees of the Authority who work as support staff for the Assembly, goods and services procured solely for the purposes of the Assembly and the support provided by the Assembly to London TravelWatch, the watchdog for transport users in and around London.

Key deliverables

3.2 The Assembly Secretariat supports the Assembly in:

- holding the Mayor to account
- conducting investigations into issues of importance to Londoners
- enabling Assembly Members to conduct their representative and constituency roles
- raising its profile and enhancing its reputation among Londoners
- overseeing the work of London TravelWatch.

Revenue expenditure and council tax requirement

3.3 The Mayor is proposing that the Assembly's net revenue expenditure for 2023-24 is £8.6 million before savings and the use of reserves.

3.4 Deducting the retained business rates income results in the Mayor assuming a council tax requirement for the Assembly of £2.7 million in 2023-24. The indicative revenue budget for the Assembly is set out in the following table on an objective basis.

Objective analysis Assembly	Revised Budget 2022-23 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Assembly Members	1.9	1.9	1.9	1.9	1.9
Member Services	2.4	2.3	2.4	2.4	2.5
Committee Services	0.8	0.7	0.8	0.8	0.8
Scrutiny	1.5	1.5	1.7	1.7	1.7
Assembly Communications	0.4	0.4	0.4	0.4	0.4
Director/Business Support	0.3	0.3	0.3	0.3	0.3
London TravelWatch	1.1	1.1	1.1	1.1	1.1
Net service expenditure	**8.4**	**8.2**	**8.6**	**8.7**	**8.8**
Transfer to/(from) reserves	-0.4	-0.2	-0.2	-0.2	-0.2
Savings to be identified	0.0	0.0	-0.1	-0.1	0.0
Financing requirement	**8.0**	**8.0**	**8.3**	**8.4**	**8.6**
Retained Business Rates	5.3	5.3	5.6	5.7	5.8
Council tax collection fund surplus/ (deficit)	0.0	0.0	0.0	0.0	0.0
Council tax requirement	**2.7**	**2.7**	**2.7**	**2.7**	**2.8**

Note – Figures may not sum due to rounding. The London Assembly business rates allocation for 2022-23, 2023-24 and future years has been increased by £0.2m from the published budget to reflect the recurring transfer of funding from the GLA: Mayor for the 2022-23 pay award. Funding for further increases for pay awards in 23-24 are held in GLA:Mayor until exact figures are settled. These will be transferred at that time.

Explanation of budget changes

3.5 An analysis of the year on year movement in the Mayor's proposed council tax requirement for the Assembly compared to the revised budget for 2022-23 is set out below. An explanation of each change is provided in the paragraphs that follow.

Changes in the Assembly's council tax requirement	£m
2022-23 council tax requirement	2.7
Changes due to:	
Change in net revenue expenditure	0.2
Savings to be identified	-0.1
Change in use of reserves	0.2
Increase in retained business rates	-0.3
2023-24 council tax requirement	**2.7**

Change in net revenue expenditure

3.6 The £0.2 million increase in net revenue expenditure relates to additional funding for two additional scrutiny posts in the Assembly's staffing budget.

Savings to be identified

3.7 The £0.1 million reduction in net expenditure is proposed to be met from reintroducing a vacancy factor to staffing budgets as well as achieving 2.25 per cent efficiencies on the London TravelWatch and other budgets.

Change in use of reserves

3.8 The 2023-24 Assembly budget includes a net decrease in the use of reserves of £0.2 million. The main purpose of this reserve is to fund resettlement costs when Assembly Members leave office. The Assembly reserve is forecast to be £1.2 million at the end of 2023-24.

Increase in retained business rates

3.9 The Mayor proposes to increase the business rates allocation to the Assembly by £0.3 million compared to 2022-23, reflecting the 2.5 per cent higher level of business rates expected to be available to the Group in 2023-24.

Environmental impact and Climate Budget

3.10 Any emissions arising from the Assembly's use of GLA buildings are reflected in the GLA: Mayor's climate budget. The Assembly will be scrutinising the London Climate Budget as part of the 2023-24 budget process.

Equalities impact

3.11 There are no specific equalities impacts arising from the Assembly's budget. The Assembly scrutinises the Mayor's performance in this regard.

Mayor's Office for Policing and Crime

4.1 The Mayor's Office for Policing and Crime (MOPAC) works on behalf of Londoners to fund and hold the Metropolitan Police Service (MPS) to account, reduce crime and improve the provision of criminal justice services across the capital. MOPAC's Police and Crime Plan sets out the Mayor's strategy for policing and crime reduction over a three-year period from 2023-24 to 2025-26.

Key deliverables

4.2 On 24th March 2022, the Mayor published his Police and Crime Plan for London for consultation with Londoners, partners and victims of crime, following consultation with nearly 4,000 Londoners, victims of crime, agencies, community groups and businesses. The Mayor's Police and Crime Plan sets out his vision for a city in which Londoners are safer – and feel safer. Central to this plan is the Mayor's Equality, Diversity and Inclusion Strategy, 'Inclusive London', which sets out key inequalities affecting the lives of Londoners.

4.3 The four key themes of the Plan are:

Reducing and preventing violence – preventing and reducing violence affecting young people; making London a city in which women and girls are safer and feel safer; tackling the harm caused by drugs; reducing reoffending by the most violent and high-risk groups; preventing hate crime; and working together to prevent terrorism and violent extremism.

Increasing trust and confidence – increasing public trust in the MPS and reducing gaps in confidence between different groups; ensuring that the MPS engages with Londoners and treats them fairly; and ensuring that the MPS, borough councils and all community safety partners respond to neighbourhood crimes such as burglary and anti-social behaviour.

Better supporting victims – improving the service and support that victims receive from the MPS and the criminal justice service; working to ensure victims receive a better criminal justice response and outcome; and reducing the number of repeat victims of domestic abuse and sexual violence.

Protecting people from being exploited or harmed – reducing the number of young people and adults who are criminally exploited or harmed; keeping young people in the justice system supported and safe; and keeping people safe online.

4.4 In November 2020 the Mayor published his Action Plan to improve trust and confidence in the MPS and to address community concerns about disproportionality in the use of certain police powers affecting Black Londoners. The Mayor has committed, as part of the action plan, to invest £1.7 million per annum, for a three year period from 2021-22 to 2023-24, to develop greater community involvement in police officer training and in the recruitment and progression of Black officers in the MPS. The MOPAC budget for 2023-24 incorporates £1.7 million of activity in relation to this Action Plan.

4.5 The Mayor's top priority continues to be keeping Londoners safe and the draft budget has been produced to support this aim. The 2023-24 budget includes £30 million from reserves drawn down from an original allocation in 2019-20 of £118.6 million from Mayoral business rates to ensure funding was available for 500 of the 1,000 additional police officers and could be maintained over the medium-term. The reserve will be fully used by the end of 2024-25.

4.6 In February 2022 the Mayor allocated additional funding of £23.2 million on a recurring basis towards tackling violence and teen homicide, and protecting victims of violence against women and girls. MOPAC and the VRU use this funding to run a wide range of hyper-local programmes to prevent and reduce the risk of teen violence and homicide. These programmes concentrate on locations, some at neighbourhood and ward level, where London has seen the highest rates of teen homicide. The Mayor has also allocated funding to the MPS to tackle drug-related violence in the most high-risk London boroughs.

4.7 The additional funding also delivered the Mayor's manifesto commitment of a refreshed strategy to prevent violence against women and girls (VAWG) and support its victims. Essential services were also maintained such as long-term support to women and girls impacted by harmful practices, specialist advocacy, counselling and case work, and supporting in particular victims of stalking, sexual and domestic abuse. Lastly, the Mayor allocated funding for the MPS to recruit 100 additional emergency call handlers, to give them the vital capacity they need to respond quickly to emergency calls which have increased in complexity and volume. This funding helps to ensure the public and victims in particular, get the prompt, quality service they deserve.

4.8 Furthermore, the Mayor is committed to delivering the MPS transformation programme. The transformation portfolio aims to deliver:

- for the public – building confidence and tackling the issues that matter to them most
- for MPS's people – providing strong leadership and equipping them with the skills and tools which match their commitment to the job
- digital transformation – exploiting the digital revolution, new technology and valuing data
- organisational transformation – becoming a flexible and agile organisation.

4.9 The Mayor's Violence Reduction Unit (VRU) is tackling violence through a programme of investment, partnership with public sector organisations, policy advocacy, developing research and data, and critically, putting London communities and young people at the heart of its preventative and public health approach.

4.10 Funding for the VRU includes ongoing annual Mayoral funding of £17.1 million and an allocation of £1.6 million from the London Crime Prevention (LCPF) co-commissioning fund. The budget also includes a confirmed allocation of Home Office funding of £9.5 million in 2023-24, £9.4 million in 2024-25 and an assumed allocation of £9.4 million in 2025-26, and an additional £2.5 million Home Office funding in 2023-24 for Teachable Moments. The earmarked reserves drawn-down for the VRU reflect the prudent profiling of some programmes to enable multi year funding. This is in keeping with the rationale for setting up the VRU to explore longer term approaches towards violence reduction, for more sustainable change. This view has been further enhanced by listening to charity and grassroots community organisations and by the VRU's neighbourhood research, which found that short-term funding and pilot schemes can sometimes cause more harm to communities than good.

Responding to the London Recovery Board's missions

4.11 Together MOPAC and the MPS are committed to supporting the London Recovery Board's missions, in particular 'high streets for all; digital access for all; a robust safety net'. The MPS has played a leading role on the London Recovery Board and in the creation of London's first-ever city-wide Anchor Institutions' Charter. Other points to note include:

- The MPS Commissioner sits on the London Recovery Board
- The MPS is participating in various London Recovery Board initiatives (such as maximising commercial investment opportunities in London's small and medium businesses) and continues to work closely with the GLA on this
- MOPAC has updated its oversight processes to ensure alignment to London Recovery Board priorities is considered as part of the investment appraisal process
- Safety is a critical foundation for London's recovery and the draft Police and Crime Plan aligns with and complements the work of the London Recovery Board. Furthermore, a safe London is essential to reviving the city's economy particularly the tourist sector. The 2022-23 budget included funding for 650 new officers working in town centres and high streets to reduce crime and increase confidence in communities through greater police visibility. It also supports Met and MOPAC activity to ensure women feel safe on our streets.
- Regarding the mission to ensure a robust safety net, the Met has ensured safeguarding teams on all BCU's (Borough Command Units) and officers across London work directly on public protection, supporting victims of domestic abuse and children
- Regarding the mission to ensure digital access for all, the Met's has contributed to this by increasing access to its services online (crime reporting and local information) to ensure they are accessible to Londoners and contactable in the way people prefer to use, in person, by phone or online.

Gross revenue expenditure

4.12 The Mayor is proposing a gross revenue expenditure budget for MOPAC of £4,519.3 million (as shown in the subjective analysis in Appendix B, Table 1). The proposed 2023-24 budget is £91.3 million higher than the forecast 2022-23 outturn of £4,428.1 million and £150.2 million greater than the revised 2022-23 budget of £4,369.2 million.

Net revenue expenditure and council tax requirement

4.13 After deducting fees, charges, and other income, the use of reserves from MOPAC's gross revenue, the Mayor proposes that MOPAC's financing requirement for 2023-24 will be £3,996.3 million. The Mayor's proposed revenue budget for MOPAC is set out in the table below on an objective basis.

Objective analysis MOPAC	Revised Budget 2022-23 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Metropolitan Police Service					
Frontline Policing	1,474.7	1,550.5	1,548.6	1,601.7	1,620.0
Met Operations	925.0	964.5	939.6	938.6	937.6
Specialist operations	466.7	473.4	454.7	454.7	454.7
Corporate services	572.7	595.0	525.9	511.5	497.4
Professionalism	146.3	155.7	141.9	136.6	135.1
Total business groups	**3,585.4**	**3,739.1**	**3,610.7**	**3,643.1**	**3,644.8**
Discretionary pension costs	34.4	38.6	45.3	45.3	45.3
Centrally held	134.8	31.0	278.8	358.9	434.2
Capital financing costs	161.8	169.0	126.7	126.1	136.6
Total corporate budgets	**331.0**	**238.6**	**450.8**	**530.3**	**616.0**
Mayor's Office for Policing and Crime					
Victims Services and Crime Prevention	81.1	82.6	79.1	72.1	71.5
Oversight and Accountability	7.6	8.1	8.3	7.9	8.0
Shared audit function	1.7	1.6	1.4	1.5	1.5
Total MOPAC	**90.4**	**92.4**	**88.8**	**81.5**	**81.0**
Violence Reduction Unit	36.5	29.7	39.7	28.3	28.4
Non-structural gap	0.0	0.0	0.0	-81.7	-117.6
Savings to be identified	0.0	0.0	0.0	-45.7	-133.2
Net revenue expenditure	**4,043.3**	**4,099.8**	**4,189.9**	**4,155.9**	**4,119.4**
Transfer to/(from) reserves	-122.8	-110.4	-193.6	-96.8	-31.2
Financing requirement	**3,920.6**	**3,989.4**	**3,996.3**	**4,059.1**	**4,088.2**
Specific grants	735.4	804.2	665.8	658.2	658.2
Retained business rates	65.4	65.4	86.2	88.4	89.7
Council tax collection fund surplus/(deficit)	-7.2	-7.2	-7.2	0.0	0.0
Home Office Police Grant	2,277.5	2,277.5	2,347.1	2,381.0	2,380.7
Council tax requirement	**849.5**	**849.5**	**904.4**	**931.6**	**959.7**

4.14 The proposed budget for 2023-24 is based on the Mayor's proposal to utilise his full flexibility to increase Band D council tax by up to £15 per year without triggering a referendum. For 2024-25 and 2025-26 it is assumed that council tax will increase by 1.99 per cent.

4.15 The government published the provisional police settlement on 14 December 2022. The provisional settlement provided an increase of 3 per cent on the total funding available, however this assumed that Police and Crime Commissioners maximised the flexibilities available to them for increasing the council tax precept. Additional funding announced in the provisional settlement provided and additional £5.1m in government grant funding over and above that which had previously been assumed of which £1.7m was police grant and £3.4m council tax legacy grant. The budget has been updated to reflect this.

4.16 The Mayor is proposing that the additional precept monies be used to support the Commissioner's Reform agenda and the key priorities that are emerging. Specifically, the additional £29.3 million that will be generated by increasing the precept by £15 (Band D) in 2023-24 will be used to help deliver the strongest ever neighbourhood policing through the recruitment of an additional 500 PCSOs (£26.8 million) and improving the services to victims through the reform of Met Command and Control (£2.5 million). This funding is made available on a recurring basis. Recognising the time to recruit to the 500 PCSOs post, £5 million of the funding is to be allocated, for 2023-24 only, to strengthen the MPS's approach to violence, in particular how it tackles the gangs and drug supply linked to London Lines and the direct impact this has on neighbourhood crime. This work will align with the more locally targeted Project ADDER work which the Mayor continues to fund at a cost of £2 million.

4.17 In recognition of the Mayoral priorities outlined in his Police and Crime Plan, and the importance of action being taken to address them, the Commissioner has agreed to set aside money in the MPS budget for additional operational activity in respect of Domestic Abuse, Rape and Serious Sexual Offences, and neighbourhood crime.

4.18 As a consequence of the funding shortfalls and the long-term uncertainty surrounding police grant funding, the proposed budget currently shows a balanced position for 2023-24 with funding gaps of £127.4 million in 2024-25 and £250.7 million in 2025-26. The Mayor supports the professional judgement of the Commissioner of the MPS that to keep Londoners safe the MPS require 6,000 additional officers from the government's Police Officer Uplift Programme (PUP). The total funding gap includes £81.7 million in 2024-25 and £117.6 million in 2025-26 relating to the cost to take the full officer increase to 6,000. These figures are shown as a non-structural gap in the previous table. Given MPS progress with police officer recruitment and the government's decisions in the provisional police settlement, it is assumed that no funding will be forthcoming in 2023-24 and accordingly no gap is shown for that year.

Explanation of budget changes

4.19 An analysis of the year-on-year movement in the Mayor's proposed council tax requirement for MOPAC compared to the revised budget for 2022-23 is set out below. An explanation of each change is provided in the paragraphs that follow.

Changes in the council tax requirement	**£m**	**£m**
2022-23 council tax requirement		849.5
Changes due to:		
Net change in service expenditure and income		124.8
Including:		
Savings and efficiencies	*-61.4*	
Inflation	*103.0*	
Use of reserves		-70.8
Government grants		0.1
Retained business rates funding		-20.9
2023-24 council tax requirement		**904.4**

Net change in service expenditure and income

4.20 The budget for 2023-24 proposes a £124.8 million net increase in service expenditure and income. This figure is net of several items, including the full year impact of officers recruited in 2022-23 and the expenditure impact of drawdowns from reserves (including the additional funding previously provided by the Mayor through retained business rates, to fund an additional 1,000 officers).

4.21 In its latest Police Efficiency, Effectiveness and Legitimacy (PEEL) inspection, His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICRS) have found that "the force has robust financial management in place". The MPS transformation programme is one of the largest seen in the UK public sector. It has combined significant efficiencies in the MPS estate, with investments to optimise operational activity such as contact, response and investigations, and increased productivity by streamlining central HQ functions. All MPS spending programmes above £0.5 million are scrutinised by MOPAC, prior to approval by the Deputy Mayor for Policing and Crime, to ensure the case for investment is robust, all options have been explored, competitive processes have been followed and best value achieved.

4.22 MOPAC/MPS are active participants in the GLA Group collaboration agenda. For example, MOPAC are involved in programmes to explore how the Group can drive efficiency and consistency in commissioning practices by working more collaboratively across functional bodies. The MPS are a significant partner in collaboration programmes to reduce costs across the group in energy procurement.

Savings and efficiencies

4.23 This budget includes £61.4 million savings in 2023-24 to be delivered through a variety of programmes across property, IT, back-office functions and a 1 per cent efficiency saving across all business functions. This is in addition to more than £1 billion in savings that have been delivered since 2012-13.

Inflation

4.24 The budget includes inflation of £103 million, of which £62.5 million relates to pay and £40.5 million relates to non-pay inflation. Pay inflation is based on an assumed pay rise for officers and staff of 2.5 per cent in 2023-24. Given the current economic climate and the significant increase in inflation and interest rates over recent months, the provision for non-pay inflation included in previous years has been increased from £10.5 million to £40.5 million.

Change in use of reserves

4.25 In 2023-24 the budget proposes a £193.6 million transfer from reserves compared to the revised 2022-23 budgeted position at Quarter 2 of a £122.8 million transfer from reserves. The most notable drawdowns relate to £127 million from the operational, budget and change reserve. There is also a £30 million drawdown from the balance of the business rates reserve to meet the costs of the additional locally funded 1,000 police officers originally announced in the Mayor's 2019-20 budget until at least March 2025, when this reserve will be fully utilised.

4.26 In setting the budget, a detailed review of reserves has been carried out. Earmarked reserves have risen in recent years, some of which is driven by delays in the delivery of projects. A review of all reserves, to ensure that spending plans are robust, has been carried out. This review has resulted in approximately £54.8 million being repurposed and released to close the gap in 2023-24. Further work is underway to establish whether more opportunities exist in future years. Use of reserves is not a long-term solution and the longer term MTFP will need to ensure financial sustainability and resilience without needing the one-off support that reserves can offer.

Net change in government grants and retained business rates

4.27 The Mayor is proposing that MOPAC will receive a further £20.1 million recurring funding via retained business rates from 2023-24 in addition to the £66.2 million previously assumed in the Consultation Budget. In total £86.3 million is allocated which is an increase of £20.1 million compared to 2022-23. This is £20.9 million more business rates funding than in 2022-23. The majority of this funding reflects the police share of historic council tax freeze grant which, since 2016-17, has been allocated through retained business rates to the GLA through the local government finance settlement. In allocating the additional funding, the Mayor is supporting the Commissioner's Reform agenda and the funding will be used to strengthen the MPS's public protection work by increasing staff capacity (£5 million) and visibly raising standards within the MPS (£11.7 million). The work in Public Protection will include work to transform the MPS's response to rape, building on the work of Operation Soteria which originated with the Rape Review commissioned by the Mayor.

4.28 In addition, MOPAC is forecast to receive an increase of £69.6 million in Home Office core police grant when comparing the revised 2022-23 budgeted figure. This reflects the element of the 2022-23 core police grant which is ringfenced for meeting the costs associated with the Police Uplift Programme and so is assumed to be baselined and rolled forward.

4.29 There is a forecast decrease in specific grants of £69.6 million in 2023-24. This is mainly due to the removal of certain grants that were received on a one-off basis in 2022-23, for example one-off Counter Terrorism grants. In addition, approximately £30.8 million of grant that was ring-fenced for the Police Uplift Programme in 2022-23, and therefore shown in specific grants, has been moved to the main Home Office Police grant. Funding arrangements for specific crime reduction programmes were not included in the provisional police finance settlement, but the accompanying written statement will be confirmed in due course. The specific grants budget will be updated in the Mayor's final draft budget, to be published in February 2023.

Reserves

4.30 At 31 March 2023, MOPAC's general reserves are expected to total £46.6 million and these are forecast to remain at this level for the next three financial years. It is forecast that MOPAC will hold £412.4 million of earmarked reserves at the close of 2022-23 and these reserves will reduce to £90.6 million by the end of 2025-26. The unused earmarked reserves as at the end of 2025-26 include funding for programmes with multiyear delivery, and to provide for liabilities that will occur after 2025-26. MOPAC's CFO will continue to assess the adequacy of the reserves as the budget develops, taking into account volatility and risks. The expected movements in reserves, and total reserves at the end of each financial year are set out in the tables below.

Movement in reserves during financial year	**Outturn 2021-22 £m**	**Forecast 2022-23 £m**	**Budget 2023-24 £m**	**Plan 2024-25 £m**	**Plan 2025-26 £m**
Opening balances	572.8	569.3	458.9	265.3	168.5
Transfers to/from:					
Earmarked reserves	8.7	-110.4	-193.6	-96.8	-31.2
General reserves	-12.2	0.0	0.0	0.0	0.0
Closing balances	**569.3**	**458.9**	**265.3**	**168.5**	**137.3**

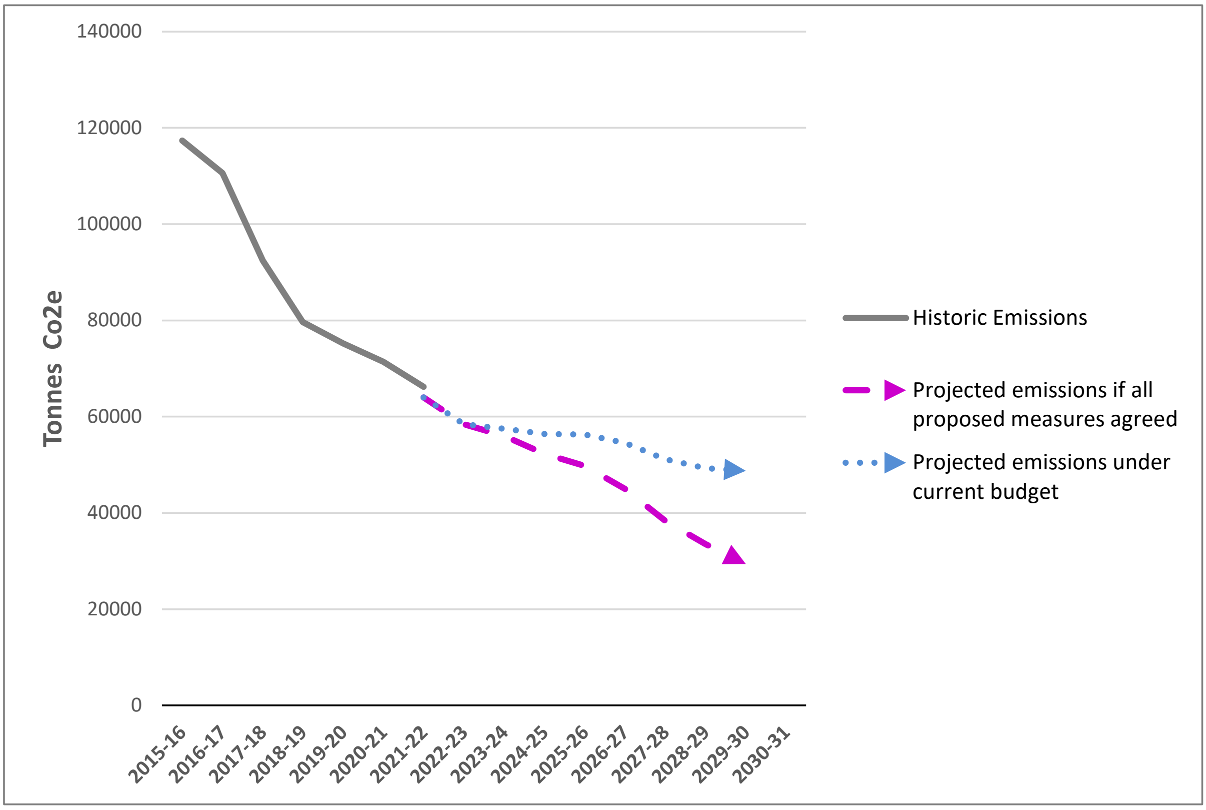
Total reserves at end of financial year	**Outturn 2021-22 £m**	**Forecast 2022-23 £m**	**Budget 2023-24 £m**	**Plan 2024-25 £m**	**Plan 2025-26 £m**
Earmarked reserves	522.7	412.3	218.7	121.9	90.6
General reserves	46.6	46.6	46.6	46.6	46.6
Total	**569.3**	**458.9**	**265.3**	**168.5**	**137.2**

Environmental impact and Climate Budget

4.31 The Police and Crime Plan states: *"In line with Mayor's aspiration of achieving Carbon Net Zero by 2030, investment plans will be reviewed with an aim of accelerating the delivery of the three key areas in estates that have the most significant impact: power purchasing; replacement of fossil fuels to heat buildings as well as improving insulation; and roll-out of an electric car charging network."*

4.32 Figure 3 shows the historic and forecast emissions for the MPS. It should be noted that not all of the measures are funded and how this is achieved, including the opportunity to secure more Public Sector Decarbonisation Scheme (PSDS) funding, will be considered as the budget in future years develops. In 2015-16, it is estimated MPS produced 117,000 tonnes of carbon dioxide emissions each year. This has reduced by 46 per cent to an estimated 64,000 tonnes in 2022-23. The measures contained within this budget are estimated to reduce these emissions to 49,000 tonnes by 2030, a reduction of 59 per cent from 2015-16. If resources can be found to implement the additional measures currently proposed, it is estimated MPS' overall emissions could be reduced to 29,000 tonnes per year, a reduction of 75 per cent on the levels produced in 2015-16.

Figure 3: MOPAC impact of budget on carbon emissions:



4.33 The main climate measures currently included in MOPAC's budget submission for 2023-24 to 2025-26 are set out in the following table (for further detail see Appendix J). They focus on optimising energy consumption at MPS buildings, replacing non-LED lighting and installing 600 additional electric vehicle charging points across the MPS estate. Costs are estimates and will be updated once quotes are received from potential contractors:

Climate measure	Lifetime cumulative CO2e savings (Tonnes)	Anticipated total funding required 2023 to 2026 (£'000k)	Type of funding required (capital/revenue or mixed)
Asset replacements and building fabric improvements	86,619	31,829	Capital
Transport – Installation of Estates EV charging infrastructure	Enabling measure	6,500	Capital

<u>Future measures</u>

4.34 There is currently an estimated £377 million funding gap to meet the targets to achieve estate decarbonisation in 2030 and fleet decarbonisation by 2035. Further work is underway to refine this estimate. The gap is broadly split into four components:

- <u>Estates:</u> The MPS budget assumes £97 million is spent on forward works and like for like replacement of end of life equipment such as gas boilers and other carbon related projects such as the LED lighting replacement programme to 2030. There will be additional costs to accelerate boiler and fabric replacement to achieve decarbonisation by 2030.

- <u>Fleet:</u> Acceleration of the fleet vehicle replacement programme and changing all possible vehicles to zero emission by 2035.

- <u>EV charging infrastructure:</u> A building-by-building assessment of where the chargers need to be located and the amount of power required has been completed. The cost of a fully private network has been estimated at £167 million but this could be lower depending on the extent and timing of a suitable public charging network.

- <u>Resilience infrastructure:</u> Further work will need to be undertaken to (a) develop a detailed risk assessment on the likelihood of a large power failure and what the operational response should be and (b) consider alternative methods of generating back-up power through hydrogen fuel cells or other technologies.

4.35 The MPS has an environment and sustainability programme in place to ensure the Mayor's Office for Policing and Crime complies with UK environmental legislation. This programme aims to drive the continual improvement of environmental performance at an organisational level. The MPS activities to deliver 'sustainability outcomes' are aligned to the Environment policy and Environment & Sustainability strategy objectives as well as commitments under the London Environment Strategy.

4.36 Environmental works associated with transforming the estate, rationalising ICT equipment and increasing waste recycling have been reported on previously. More recently the MPS has commissioned specialist consultants and engaged in activities to address the challenges of Net Zero Carbon by 2030. Having undertaken an impact assessment of delivering this, the MPS is currently in the process of developing a NZC strategy plan while implementing NZC measures as part of funded and approved schemes where opportunities arise. The MPS is part of the GLA's Net Zero 2030 working group, reporting monthly on progress in planning for the 2030 target.

4.37 Working together MOPAC and the MPS has successfully applied for Public Sector Decarbonisation Scheme (PSDS) grant funding. This has already achieved the decarbonisation of three sites with £0.9 million of PSDS funding and supported the current work in progress of a further two sites (PSDS funding of £1.8 million). An application for a further tranche of PSDS funding of £8.9 million to decarbonise a further 15 sites has been submitted, the outcome from which is awaited.

4.38 MOPAC's and MPS's commitment to the air quality policies in line with the London Environment Strategy has ensured that the MPS's fleet based within the Ultra Low Emission Zone (ULEZ) is fully compliant. The fleet currently includes over 800 electric, hybrid or hydrogen vehicles. By 2025, the expectation will be for the general purpose fleet of over 800 vehicles to be hybrid and the MPS will seek to ensure that all new vehicles purchased beyond 2025 will be either hybrid or fully electric.

Equalities impact

4.39 This budget sets out how resources will be allocated in support of the published Police and Crime Plan.

4.40 Central to the Police and Crime Plan is the Mayor's Equality, Diversity and Inclusion Strategy, 'Inclusive London', which sets out key inequalities affecting the lives of Londoners. This strategy drives work on equality and inclusion, including race equality, with a range of projects, programmes and policies that, in addition to policing, span education, health and civil society. GLA community engagement and advisory functions provide expertise on race equality to bring insight and shape to MOPAC's work. These include the Mayor's Equality, Diversity and Inclusion Advisory Group, the Migrant and Refugee Advisory Panel and civil society partner organisations.

4.41 In allocating resources due consideration has been made to legal obligations, in particular the need to exercise the equality duty under the Equality Act 2010, to have due regard to the impacts based on sufficient evidence appropriately analysed.

4.42 MOPAC continues to work closely with the GLA Group on the implementation of 'Inclusive London' and the Mayor's commitment to economic fairness. The Metropolitan Police Commissioner is a member of the London Recovery Board which is addressing a number of the Mayor's diversity priorities including to narrow social, economic and health inequalities, and to support communities most impacted by the pandemic.

4.43 MOPAC's plans are underpinned by a commitment to inclusion, diversity and equality. The risks of offending and victimisation change in nature as people age. The budget includes resources to increase the safety and confidence of young people and adults in London, recognising the different specific needs and risks for Londoners at different stages of their lives. Proposals include investment to prevent and reduce violence affecting young people, reduce offending behaviour, improve the service and support that victims receive from the MPS and the criminal justice service, and increase public trust in the MPS.

4.44 The budget includes comprehensive measures to reduce serious violence, crimes that disproportionately affect Black Londoners particularly. The allocation of resources also underlines the Mayor's commitment to ensuring that Londoners of all races have confidence in the police, receive a high-quality service from the justice system and that ethnic disproportionality is identified and addressed. It includes investment to deliver the Mayor's Action Plan for Transparency, Accountability and Trust in Policing and the MPS new Strategy for Diversity, Inclusion and Engagement.

4.45 Resources have been included to strengthen enforcement against the perpetrators of hate crime and to improve the support available to victims of these offences. This includes investment in disability hate crime, transgender hate crime offences, racist hate crime, sexual orientation hate crime offences and hate crime linked to religion and belief all of which are increasing.

4.46 There are significant differences between genders in relation to victimisation and offending. In particular the budget recognises the scale and harm of violence against women and girls, providing funding from a variety of sources to programmes preventing, or supporting victims of violence against women and girls (in support of VAWG) and women's safety including supporting the work of the GLA Night Czar. MOPAC is currently refreshing its VAWG strategy; investment in VAWG and women's safety is expected to increase as part of this.

4.47 Further Equality Impact Assessments (EIAs) will be undertaken as appropriate as proposals are developed. These assessments will then be published as part of the decision-making process.

4.48 MOPAC's published budget submission can be found here.

London Fire Commissioner

5.1 The London Fire Commissioner (LFC) is responsible for fire and rescue services in London and supporting the London boroughs in their emergency planning role. It oversees the work of the London Fire Brigade (LFB).

5.2 The Community Risk Management Plan (CRMP) came into effect on 1 January 2023, replacing the previous London Safety Plan. The CRMP will be effective until 2029. It remains anchored in the purpose and vision established in response to the recommendations from the Grenfell Tower Inquiry. It describes four new pillars that the Brigade will work to over the life of the plan (engaging, protecting, learning from, and representing Londoners) and eight new commitments:

- working with Londoners to provide localised services that meet the community's needs
- making it easy for Londoners to access London Fire services
- adapting services as the needs of London's communities' change
- designing services around the needs and concerns of London's communities
- enabling the service's people to be the best they can be, to better serve Londoners
- working together to provide the best possible services to meet the needs of its communities
- being evidence-driven to give Londoners the value they expect
- working with other organisations to secure a safer future for everyone.

5.3 Each of these will impact upon the services provided, helping to improve them to keep Londoners safer.

Key deliverables

5.4 To measure success, the CRMP includes a core set of performance measures that are in place or in development that will allow the Brigade, the public and other stakeholders to be able to independently assess progress against the commitments made. The key headline targets in the CRMP include the following:

- dispatch fire engines quickly to emergency incidents after answering a 999 call, with the first and second fire engines arriving quickly at emergency incidents, within six and eight minutes respectively, on average across London
- for the first fire engine to arrive within 10 minutes on 90 per cent of occasions after being dispatched and 12 minutes on 95 per cent of occasions after being dispatched
- improvements in community satisfaction ratings
- staff composition which is reflective of London.

Gross revenue expenditure

5.5 The Mayor is proposing an increase in the LFC's gross revenue expenditure from £509.0 million in the revised LFC budget for 2022-23 to £532.9 million in 2023-24, an increase of 4.7 per cent.

Net revenue expenditure and council tax requirement

5.6 After deducting fees, charges, and other income from LFC's gross revenue expenditure the Mayor proposes that its net expenditure for 2023-24 will be £484.9 million. Its financing requirement after the use of reserves is £478.1 million.

5.7 The Mayor is assuming a 2.99 per cent increase in the non-policing element of the Band D GLA council tax charge in 2023-24 excluding transport services. The additional income generated as a result of this increase will be allocated in full to the LFC, reflecting the need to address the additional funding pressures faced by the LFB in future years. As a result, the council tax requirement for the LFC increases from £180.7 million in 2022-23 to £193.6 million in 2023-24.

5.8 The Mayor's proposed revenue budget for LFC is set out in the following table on a directorate basis.

Objective analysis London Fire Commissioner	**Revised Budget**	**Forecast**	**Budget**	**Plan**	**Plan**
	2022-23	**2022-23**	**2023-24**	**2024-25**	**2025-26**
	£m	**£m**	**£m**	**£m**	**£m**
Commissioner	1.9	2.3	1.9	1.9	1.9
Operational Delivery	305.6	326.7	322.8	331.1	338.6
Corporate Services	103.9	100.5	104.3	104.1	105.7
People	35.9	36.5	38.1	38.4	39.3
Transformation	4.2	4.4	4.1	4.2	4.3
Communications	2.6	2.9	2.5	2.5	2.6
Net service expenditure	**454.1**	**473.3**	**473.7**	**482.2**	**492.4**
Capital financing costs	9.6	9.6	11.7	17.3	18.8
External interest receipts	-0.6	-0.6	-0.6	-0.6	-0.6
Net revenue expenditure	**463.1**	**482.3**	**484.8**	**498.9**	**510.6**
Transfer to/(from) reserves	-2.0	-20.7	-6.7	0.0	5.0
Savings to be found	0.0	0.0	0.0	-3.5	-2.8
Financing requirement	**461.1**	**461.6**	**478.1**	**495.4**	**512.8**
Specific grants	36.7	37.2	33.9	33.9	33.9
Services Grant	2.6	2.6	0.0	0.0	0.0
Retained business rates	242.7	242.7	252.3	257.2	262.3
Council tax collection fund surplus/(deficit)	-1.6	-1.6	-1.6	0.0	0.0
Council tax requirement	**180.7**	**180.7**	**193.6**	**204.3**	**216.6**

Explanation of budget changes

5.9 An analysis of the year-on-year movement in the Mayor's proposed council tax requirement for LFC, compared to the Mayor's revised budget for LFC in 2022-23 is set out in the following table. An explanation of the year-on-year changes is provided in the paragraphs that follow.

Changes in the council tax requirement	£m	£m
2022-23 council tax requirement		180.7
Changes due to:		
Net change in service expenditure and income		21.7
Including:		
Savings and efficiencies	*-23.4*	
Inflation	*18.9*	
Use of reserves		-4.7
Government grants		5.4
Retained business rates funding		-9.6
2023-24 council tax requirement		**193.6**

Net change in service expenditure and income

5.10 The budget proposes a £21.7 million net increase in service expenditure and income. This primarily reflects the impact of inflation and pay awards for all staff groups, as well as investment in areas across the LFC.

Savings and efficiencies

5.11 The budget incorporates planned savings and efficiencies of £23.4 million. This includes departmental and efficiency review saving proposals, staff vacancy margin savings, a review of income from insurers, a review of capital financing costs, and the impact of an actuarial review of LGPS employer pension contributions.

Inflation

5.12 The budget includes a provision for inflation of £18.9 million. Of this, £15.7 million is related to pay inflation, and the remaining £3.2 million relates to contractual increases for utilities and other related services.

Change in use of reserves

5.13 The budget proposes a net increase in the transfer from reserves of £4.7 million from the 2022-23 budget and the 2023-24 budget now proposes the use of £6.7 million. This includes an earmarked reserve review that will release £2.0 million with a further £4.7m utilised to support inflationary pressures in the 2023-24 financial year.

Government grants

5.14 LFC budgeted to receive £33.9 million of government grants in 2023-24, a decrease of £5.4 million from the 2022-23 revised budget.

5.15 It should be noted the estimated grant income of £33.9 million in 2023-24 does not include any additional funding as a result of the implications of the McCloud/Sargeant pensions case on transitional protection arrangements. The outcome of this case is likely to result in significant additional payments by the LFC. Discussions are ongoing with central government regarding the timing and value of this expenditure and any resulting increases required in LFC specific grant income.

Council tax collection fund deficit

5.16 LFC's contribution to the 2020-21 collection fund deficit has been calculated as £1.6 million.

Retained business rates funding

5.17 The Mayor is proposing LFC will receive £252.3 million in funding via retained business rates in 2022-23, an increase of £9.6 million compared to 2022-23.

Reserves

5.18 At 31 March 2023, LFC's general reserves are expected to total £16.2 million. Under current assumptions they are forecast to remain the same by 31 March 2026.

5.19 The expected total reserves at the end of each financial year are summarised below. These earmarked amounts are likely to be the utilised over the medium term, but the exact amounts and timing is still to be confirmed as part of aligning resources to the new Community Risk Management Plan (CRMP). The actual call on these reserves will be reported over the planning period. The general reserve is regularly reviewed to ensure that it is maintained at an adequate level, taking into account risks.

Total reserves at end of financial year	**Outturn 2021-22 £m**	**Forecast 2022-23 £m**	**Budget 2023-24 £m**	**Plan 2024-25 £m**	**Plan 2025-26 £m**
Earmarked reserves	71.7	55.2	48.5	48.5	53.5
General reserves	20.4	16.2	16.2	16.2	16.2
Total	**92.1**	**71.4**	**64.7**	**64.7**	**69.7**

5.20 It is forecast LFC will hold £55.2 million of earmarked reserves at the close of 2022-23; these reserves will decrease to £53.5 million by the end of 2025-26 with the Budget Flexibility Reserve (BFR) being utilised to alleviate inflationary pressures totalling £4.7 million in 2023-24 and an earmarked reserve review that will release £2.0 million. The surplus position in 2025-26 will help to increase the BFR position by £5.0 million. The expected movements in reserves over the planning period are set out in the following table.

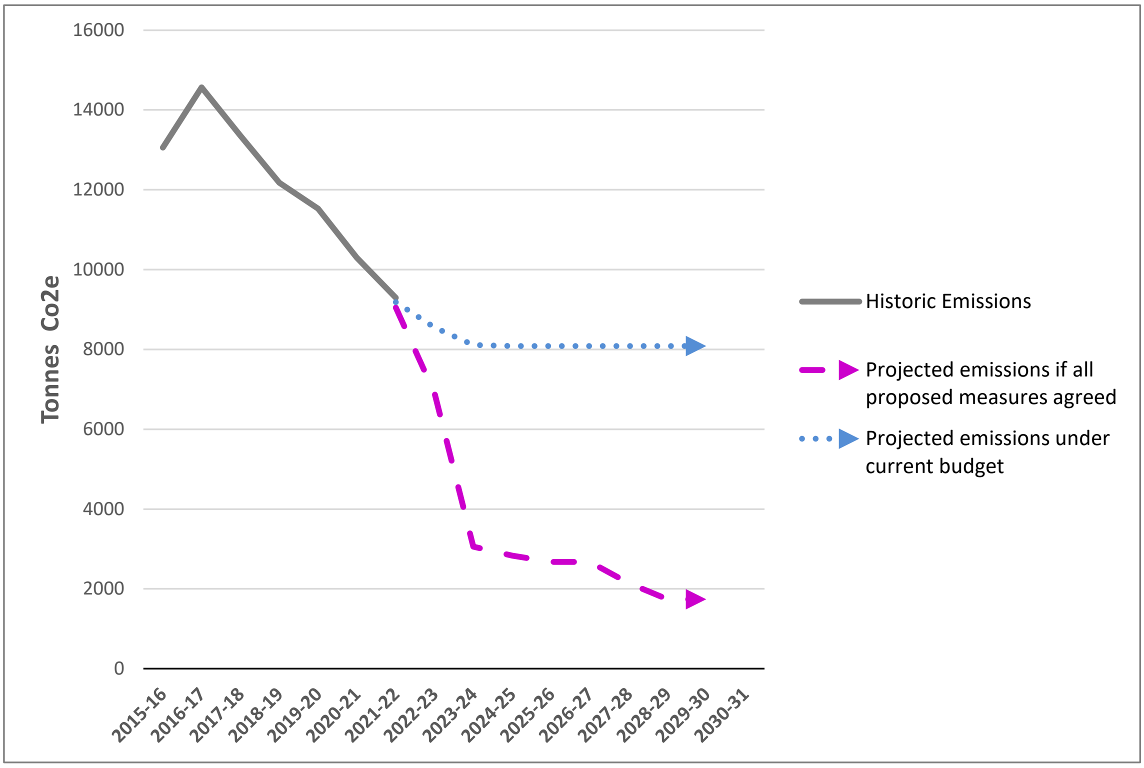
Movement in reserves during financial year	Outturn 2021-22 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Opening balances	91.7	92.1	71.4	64.7	64.7
Transfers to/(from):					
Earmarked reserves	-7.7	-16.5	-6.7	0.0	5.0
General reserves	8.1	-4.2	0.0	0.0	0.0
Closing balances	**92.1**	**71.4**	**64.7**	**64.7**	**69.7**

Environmental impact and Climate Budget

5.21 Following extensive public consultation and Mayoral approval, LFC adopted its Community Risk Management Plan (CRMP) in January 2023 which confirms the LFC commitment to reducing impact on the environment and stated the target of aiming to reach net zero carbon by 2030.

5.22 Figure 4 outlines LFC's emissions to date and expected emissions to 2030. In 2015-16, it is estimated LFC produced 13,000 tonnes of carbon dioxide emissions from its fleet and estate. There was then a peak in 2016-17 arising from increased fuel use arising from the brigade's 150-year celebration events and increased energy use at PFI stations. Emissions have reduced, by 30 per cent from 2015-16, to an estimated 9,000 tonnes in 2022-23. The measures contained within this budget are estimated to reduce these emissions to 8,000 tonnes by 2030, a reduction of 38 per cent from 2015-16. If resources can be found to implement the additional measures currently proposed, it is estimated LFC's overall emissions could be reduced to 2,000 tonnes per year, a reduction of 78 per cent on the levels produced in 2015-16.

Figure 4: LFC impact of budget on carbon emissions



5.23 The main climate measures currently included in LFC's budget submission for 2023-24 to 2025-26 are set out in the table below (for further detail see Appendix J). They focus on optimising energy consumption at LFC buildings and replacing elements of the fleet. Costs are estimates and will be updated once quotes are received from potential contractors:

Climate measure	Lifetime cumulative CO2e savings (Tonnes)	Anticipated total funding required 2023 to 2026 (£'000k)	Type of funding required (capital/revenue or mixed)
Retrofit LFC buildings to improve energy efficiency	4,839	12,684	Capital
Replacement of fleet	615	1,570	Capital

Future measures

5.24 To achieve Carbon Net Zero LFC has adopted six principles which are intended to move LFC from its current baseline level of emissions to a position of net zero:

- **Principle 1: Opening the infrastructure:** Require the District Network operator (DNO) to install a dedicated 500kVA substation for 102 fire stations.

- **Principle 2: Premises decarbonisation:** To decarbonise the estate there will be a need to switch to an electrically powered heating solution. The proposed model is the implementation of a hybrid system of a conventional electric condensing boiler with an air-sourced heat pump across all remaining LFC sites.

- **Principle 3: 100 per cent renewable energy:** Over 70 per cent of properties within LFB's portfolio currently have some sort of Solar Photovoltaic System (SPV) on-site. LFB currently has a generating capacity of 1.1MWp (Megawatt peak) and this capacity is to be increased by replacing some of the older systems and increasing the m^2 area of the systems.

- **Principle 4: Carbon Offsetting and alternative fuels:** Despite the ambitious activities proposed, there will remain residual emissions that will need to be offset to meet net zero by 2030. It is estimated that there will be around 1,000 tonnes each year CO_2e of residual emissions that will need to be offset. The residual emissions will be made up of transportation that does not have an adequate electric alternative (including river boats), and from fuel needed in generators, to be used as resilience. The use of alternative fuels would be deployed in the form of a "drop in" biofuels that have the potential to replace existing diesel use.

- **Principle 5: Moving to a Zero Emission Fleet:** In 2030, 232 operational vehicles (including 113 heavy specialist appliances) will be Zero Emission, representing 63 per cent of the LFB owned fleet (366 vehicles in total). In consideration that 37 per cent of the fleet will still be diesel in 2030, the use of biofuels represents a potential steppingstone to meet Net Zero Carbon targets – this is addressed further under Principle 4. After 2030 efforts will continue to electrify the remainder of the fleet.

- **Principle 6: Smart energy usage:** Carbon Impact training will be implemented across the LFB, focusing on climate science, how climate change is impacting the Brigade **–** both now and in future **–** and the actions that can be taken as a Brigade to minimise the impact on the environment.

Equalities impact

5.25 The London Fire Commissioner (LFC) continues to work closely with the GLA Group on the implementation of the Mayor's equality, diversity and inclusion strategy and commitment to economic fairness. Following cross-organisational consultation and engagement, LFC launched its inclusion strategy, the 'Togetherness Strategy' on 1 July 2020. Embedded within this strategy are commitments to increasing capability and capacity of the organisation to embed equality considerations into all elements of decision making. In 2021 the LFC launched an organisation-wide independent review into culture, appointing Nazir Afzal OBE as the Chair of the review. His report was published on 25 November 2022 and the LFC has accepted its findings and recommendations. The LFC has already announced some immediate steps to tackle the issues identified in the report and a fuller action plan is in development.

5.26 The requirement for each budget proposal to undergo an Equality Impact Assessment was communicated to all Heads of Department as part of the LFC budget guidance. This included specific instructions setting out the LFC's obligations under the Equality Act and Public Sector Equality Duty, with guidance to support them to complete Equality Impact Assessments (EIAs) on relevant proposals. In addition, an EIA has been undertaken on the proposals which have a direct impact on staff (fewer than 10 in total) who are in positions which are at risk of deletion.

5.27 LFB's Inclusion Team has been consulted, and work will continue to ensure EIAs are conducted and reviewed particularly where savings proposals identify impacts which require mitigation or justification.

5.28 LFC's published budget submission can be found here.

Transport for London

6.1 TfL is responsible for the planning, delivery, and day-to-day operation of the Capital's public transport system, including London's buses, London Underground and Overground including the Elizabeth line, the DLR, London Trams and London River Services. It is also responsible for managing road user charging schemes (the Congestion Charge, ULEZ and LEZ), maintaining London's main roads and traffic lights, regulating taxis and private hire vehicles, making London's transport more accessible and promoting Active Travel - walking and cycling initiatives.

6.2 The COVID-19 pandemic created significant uncertainty for many industries across the United Kingdom. For TfL specifically, it had a catastrophic impact on fare revenues. Despite the removal of all coronavirus-related legal restrictions in England, the pandemic appears to have altered the behaviours of the travelling public which has made it challenging for TfL to extrapolate future travel patterns. Current data however suggests a permanent and structural decrease in overall post-pandemic ridership, especially across the weekday peaks as working patterns have changed. The recovery in weekend travel appears to have been stronger with levels approaching, and in some cases exceeding, pre-pandemic levels.

6.3 Following a series of short-term funding agreements since the onset of the pandemic, on 30 August 2022, the Department for Transport (DfT) and TfL agreed a Funding Settlement to 31 March 2024 which provides both base funding and a guaranteed level of passenger income via a revenue top-up mechanism. A copy of this agreement can be found here: https://tfl.gov.uk/info-for/investors/funding-letters.

6.4 The key outcomes from the budget proposals are to rebuild TfL's finances, improve efficiency, and help to secure TfL's future post-pandemic. TfL's work follows the key themes as set out in the Mayor's Transport Strategy:

- **Healthy streets and healthy people**: lowering speed limits; priority traffic signalling; improving bus safety; encouraging more people to cycle and the introduction of 'school streets' to reduce traffic around schools during peak times

- **Making more efficient use of the street network:** reducing traffic on London's streets by making freight and delivery traffic more efficient; utilising road user charging to improve safety, air quality and reduce congestion and delivery of an extra 25km of bus lanes by 2025

- **Improving air quality and the environment:** expansion of the ULEZ London-wide to tackle the triple threats of air pollution, the climate emergency and congestion, and working towards a zero-emission bus fleet

- **New homes and jobs:** Investing in transport to unlock the delivery of new homes and jobs. Even before it opened, the Elizabeth line had supported the delivery of an additional 55,000 new homes along the route, as well as increased planning activity near many stations along the corridor. The Northern Line extension opened in September 2021, which saw new stations at Nine Elms and Battersea Power Station, provides improved access to the Vauxhall Nine Elms Battersea Opportunity Area and is supporting the delivery of 20,000 new homes and 25,000 new jobs.

Key deliverables

6.5 The key deliverables from TfL's proposed budget are as follows:

- actively grow passenger demand, while creating new sources of revenue to reduce TfL's reliance on fares income:
    - increasing passenger demand to 86 per cent for tube and rail (excluding the Elizabeth Line) and 81 per cent for buses of pre-pandemic levels by 2025-26
    - grow new revenue sources of at least £500 million by 2023
    - increase non-fares revenue as a proportion of total income
- create and grow an operating surplus based on TfL's own sources of income:
    - reach operating financial sustainability by 2023-24
    - grow an operating surplus from 2024-25 onwards to fund investment
- maintain cash reserves to make payments and protect against shocks:
    - maintain average cash balances of 60 days operating expenses, which is around £1.2 billion during the period covered by the Funding Settlement
    - availability of the GLA Financing Facility of £500 million for additional protection against shocks and risks if required during the period covered by the Funding Settlement
- continue to deliver recurring cost savings to remain affordable for customers and taxpayers:
    - continue to reduce like-for-like operating costs in real terms
    - deliver a further £600 million of recurring operating cost savings by 2025-26
- fully fund the capital programme with a long-term government settlement and an affordable level of debt:
    - achieve a long-term funding settlement with government
    - maintain an affordable level of debt based on a range of prudential indicators.

Responding to the London Recovery Board's missions

6.6 TfL remains committed to supporting the London Recovery Board's missions, it plays a significant role in supporting the 'high streets for all' and 'green new deal' missions, as well as the economic recovery framework for London. TfL's latest business plan clearly states its intention, and activities, to become the green heartbeat of London.

6.7 Since restrictions were lifted on public transport in early 2022, ridership on Tube, bus and rail services has increased and is now at around 80 per cent, across a weekly average, compared to that seen before the pandemic. Weekend ridership levels on Tube and bus increasingly edge towards those seen pre-pandemic, and TfL is working hard and creatively to rebuild ridership. A key part of encouraging customers back will be TfL investing in its infrastructure to keep services safe, clean and reliable, as well as delivering a range of improvements to London's Tube, bus and rail network.

Gross service expenditure

6.8 The budget for gross service expenditure of £8,947.8 million in 2023-24 is £231.5 million higher than the budget for 2022-23 as additional costs from a full year of running the Elizabeth line, inflation in contracted services, higher utility and traction current costs and increasing bad debt costs, are partially offset by lower debt servicing costs and TfL's continued savings programmes.

Net service expenditure and council tax requirement

6.9 The COVID-19 pandemic exposed TfL's increasing reliance on covering its operating costs from fare revenue (72 per cent pre-pandemic) compared to other similar authorities, although TfL are expecting to see increasing passenger demand to circa 80 per cent of pre-pandemic levels by the end of 2022-23.

6.10 In light of the revenue top-up mechanism as detailed in the 30 August 2022 Funding Settlement, and the announcement in December 2022 by DfT that regulated national rail fares will rise by 5.9 per cent in March 2023, it is projected that the level of protected passenger income in 2023-24 is £5,239.0 million. TfL expects ridership to continue building as London recovers from the pandemic. TfL has also assumed an annual national fare increase of four per cent in March 2024, however, the actual level of fares are set by the Mayor on an annual basis. After deducting passenger and commercial income, fees, charges, other income, debt servicing costs and its planned use of reserves, the Mayor proposes that TfL's net service expenditure for 2023-24 is £1,350.3 million.

6.11 This Draft Budget assumes that TfL's council tax requirement for 2023-24 will increase to £177.2 million from £52.5 million in 2022-23 and business rates retention will increase from £1,897.0 million in 2022-23 to £1,992.2 million. In 2023-24 TfL will be financially sustainable and is not expected to require government revenue support to cover the cost of day-to-day operating expenditure and capital renewals. TfL will continue to benefit from the government's guarantee on passenger income, if passenger demand falls below expected levels.

6.12 The planning assumptions that underpin this plan are in line with the 30 August 2022 Funding Settlement to the end of 2023-24. The revenue budget for 2023-24 assumes that the DfT national rail increase of 5.9 per cent will apply generally across passenger income although a formal decision by the Mayor will be made in due course. For 2024-25 an increase of 4 per cent is assumed. For 2025-26, TfL have reverted to the planning assumption of an annual fare rise of the forecasted retail price index plus one per cent for the July preceding the date of increase, consistent with its last Business Plan in 2019.The actual level of fares are set by the Mayor on an annual basis. The passenger demand assumption is steady growth in-line with current trends to 86 per cent of pre-pandemic demand for Tube and rail modes, and 91 per cent for buses by December 2025.

6.13 TfL's operating budget is summarised in the following table.

Objective analysis TfL	Revised Budget 2022-23 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Income					
Passenger Income	-4,300.4	-4,305.6	-5,239.0	-5,645.3	-6,053.6
CC, LEZ & ULEZ income	-773.6	-858.9	-1,028.4	-1,046.8	-812.4
Other Operating Income	-577.9	-579.4	-609.3	-624.0	-643.0
Third-party contributions	-26.3	-36.2	-30.8	-29.3	-26.3
Subtotal income	**-5,678.1**	**-5,780.0**	**-6,907.4**	**-7,345.3**	**-7,535.4**
Operating costs					
London Underground	2,218.0	2,109.3	2,215.5	2,158.6	2,178.7
Bus, Roads, Compliance & Policing	2,564.3	2,528.6	2,723.2	2,846.1	2,880.2
Contracted Rail & Sponsored Services	541.3	579.5	607.2	638.9	654.9
Elizabeth line	490.7	490.8	549.4	604.5	630.6
CC, LEZ & ULEZ income	287.3	420.5	535.4	586.3	474.3
Other Operations	1,101.9	986.3	1,212.5	1,168.1	1,220.2
Subtotal operating costs	**7,203.4**	**7,115.0**	**7,843.1**	**8,002.6**	**8,039.0**
Net operating income and expenditure	**1,525.3**	**1,334.9**	**935.7**	**657.3**	**503.6**
Other					
Debt servicing	426.0	417.5	414.6	448.4	515.5
Revenue resources used to support capital investment	1,086.8	1,126.4	690.0	1,110.7	1,225.5
Net service income and expenditure	**3,038.1**	**2,878.8**	**2,040.3**	**2,216.3**	**2,244.5**
Transfer to/(from) reserves	93.3	-24.7	155.6	59.2	72.7
Financing requirement	**3,131.4**	**2,854.1**	**2,195.9**	**2,275.5**	**2,317.2**
Specific grants	8.0	17.5	8.0	0.5	0.5
GLA funding from transport reserve	15.8	95.5	91.5	0.3	0.0
Retained business rates	1,897.0	1,897.0	1,992.2	2,033.0	2,072.6
Services grant	5.2	5.2	4.6	0.0	0.0
Collection fund deficit	-78.1	-78.1	-77.6	0.0	0.0
HM Government revenue support	1,231.0	864.5	0.0	0.0	0.0
Council tax requirement	**52.5**	**52.5**	**177.2**	**241.7**	**244.1**

Note: CCC, LEZ & ULEZ income covers, the Congestion Charge, Ultra Low Emission Zone, Low Emission Zone, Direct Vision Standard schemes and Penalty Charge Notices (PCN's).

Explanation of budget changes

6.14 An analysis of the year-on-year movement in the Mayor's proposed council tax requirement for TfL compared to the Budget for 2022-23 is set out below. An explanation of each change is provided in the paragraphs that follow.

Changes in the council tax requirement	**£m**	**£m**
2022-23 council tax requirement		52.5
Changes due to:		
Passenger and commercial revenue and other income		-1,229.3
Net change in operating expenditure		639.6
Including:		
Savings and efficiencies	*-204.0*	
Inflation	*283.0*	
Debt servicing		-11.4
Revenue resources used to support capital investment		-396.8
Use of reserves		62.3
Government and other revenue grants		1,231.6
Retained business rates		-95.1
GLA contribution from transport reserve		-75.7
Collection fund deficit		-0.5
2023-24 council tax requirement		**177.2**

Passenger and commercial revenue and other income

6.15 Passenger, commercial and other income is estimated to increase by £1,229.3 million, from £5,678.1 million in the TfL Budget 2022-23 to £6,907.4 million in 2023-24, primarily due to increased passenger numbers and additional Road User Charging income. The passenger income, for 2023-24, is also guaranteed by government as set out in the 30 August 2022 Funding Settlement.

6.16 The 30 August 2022 Funding Settlement includes a passenger revenue scenario based upon annual national fare rises (as announced by DfT) in March 2023 and again in March 2024. The revenue budgets for 2023-24 assume that the DfT national rail increase of 5.9 per cent will apply generally across passenger income although specific fares for different modes of transport are yet to be determined. For 2024-25 a national rail increase of 4 per cent is assumed. For 2025-26, TfL have reverted to the planning assumption of an annual fare rise of the forecasted retail price index plus one per cent for the July preceding the date of increase, consistent with its last Business Plan in 2019. The actual level of fares are set by the Mayor on an annual basis.

6.17 In line with the recommendations of the review mandated by the 1 June 2021 Funding Settlement, the Mayor in his September 2022 Mayoral Decision increased the fee for obtaining an Oyster Card to £7 (also making this fee non-refundable) and applied a peak fare to all journeys to/from Heathrow that include Zone 1. On 15 June 2020 the validity of the Freedom Pass and 60+ Oyster were removed from the morning peak on a temporary basis in response to the pandemic, as requested by government. Having taken into account stakeholder feedback and the results of an Equality Impact Assessment, the temporary 9am restrictions will be made permanent. These changes are required to allow TfL to meet conditions in its funding agreement with government, however no change will apply to holders of the Disabled Person's Freedom Pass.

6.18 In this Draft Budget, the Mayor has committed to ensuring that the point at which qualifying Londoners become eligible for the 60+ Oyster remains unchanged throughout TfL's business planning period.

6.19 In November 2022, the Mayor announced that he would further expand the ULEZ London-wide to tackle the triple threats of air pollution, the climate emergency and congestion; and to ensure five million more Londoners breathe cleaner air. The expansion will come into effect on Tuesday 29 August 2023 and will operate across all London boroughs up to the existing Low Emission Zone boundary. The TfL spending totals include the profiled spend for the Mayor's associated scrappage scheme as well as the other funding being provided from the GLA's transport services funding reserve.

Net change in operating expenditure

6.20 The change in total operating expenditure is an increase of £639.7 million between the revised budget 2022-23 and 2023-24. Inflation on TfL's bus and other contracted services, as well as an increase in bad debt charges are key drivers of the increase, partially offset by savings and other efficiencies.

Savings and efficiencies

6.21 As part of its Financial Sustainability Plan, TfL set out to achieve savings totalling £730 million from 2019-20 to 2024-25. Following the new Funding Settlement and having delivered annualised recurring savings of £398 million by the end of 2021-22, TfL plans to reset the programme, extend by an additional year and stretch the target to £600 million from 2022-23 to 2025-26. This takes the total recurring saving to £1.7 billion since 2016, of which £1.1 billion has been delivered to 2021-22.

6.22 TfL expect to make total savings of £174 million in 2022-23 with £65 million of these being recurring savings. Recurring savings are lower than planned, however work is ongoing to develop strategic options for future recurring efficiencies and TfL have made up this year's shortfall from one-off savings.

6.23 Total recurring savings in 2022-23 are forecast to increase by £65 million compared to 2021-22 from:

- London Underground (LU) recurring savings of £36 million predominantly due to £6 million from supplier partnership programmes across fleet and track maintenance, £5m from LU's One Asset Operations programme with majority of the remaining savings delivered through tightly controlled recruitment and reductions in overtime
- bus operation savings totalling £13 million, predominantly from tender savings following renegotiation of bus operating contracts and a further £3 million from the Dial-a-Ride transformation programme
- rail contract savings totalling £7 million
- additional savings totalling £9 million across other areas.

6.24 From 2023-24 to 2025-26, TfL's savings plans are challenging, with over £230 million of savings currently high risk, and a further £215 million of savings required to maintain financial sustainability. However, TfL are committed to meeting these targets and will deliver this through an approach to continuous savings, targeting around two per cent savings per year.

6.25 TfL plan to make new savings of £204 million in 2023-24. There remain significant risks to these plans: TfL are currently developing plans to deliver £83 million of savings and a further £70 million of savings have a high risk, meaning workstreams have immature plans identified to deliver the savings targets. Additionally, £32 million of savings are identified as medium risk; early plans are in place, but these require further work to ensure delivery.

6.26 TfL will optimise its procurement and commercial approach to deliver savings across its third-party expenditure, including operational concessions, other key operating and maintenance contracts and TfL's head office accommodation. TfL will also maintain tight controls on recruitment and overtime.

Inflation

6.27 Inflation has caused significant pressure on the total cost base of TfL compared to its March 2022 Budget and TfL are currently expecting the impact of higher inflation to drive an additional £283 million of cost into its operating cost base in 2023-24. Approximately £20 million of this amount pertains to pay and the remaining £263 million to inflation on contracted service expenditure.

Debt servicing

6.28 Debt servicing reduces by £11.4 million in 2023-24 compared to the 2022-23 Budget predominantly due to maturing debt expected to be refinanced at lower rates and higher interest income on TfL's cash deposits. There is incremental borrowing anticipated in both 2024-25 and 2025-26, taking TfL's outstanding borrowing to £14.0 billion by the end of 2025-26, which is subject to a further assessment of affordability at this time. TfL also plan to refinance the borrowing due to mature throughout the period of this plan.

Grants

6.29 Income from government and other revenue grants has decreased by £1,231.6 million. This is primarily due to government revenue support decreasing from £1,231.0 million in the Budget 2022-23 to £nil in 2023-24 as financial sustainability is achieved and base funding arising from the Funding Settlement in 2023-24 is allocated solely to support capital expenditure. In 2023-24 the Mayor is providing £4.6 million of funding to TfL from the Services Grant to support additional borough cycle route construction and additional bicycle parking spaces in London.

GLA contributions from the Transport Services Funding Reserve

6.30 The GLA is due to transfer £91.5 million from the transport services funding reserve (TSFR) to TfL in 2023-24. This will be used towards the cost of the car scrappage scheme for polluting vehicles announced as part of the Mayoral Decision approving the expansion of the ULEZ to the existing Low Emission boundary. The 2023-24 contribution from the TSFR is around £4 million lower than in 2022-23 as the current year allocation included the £61.5 million revenues raised from the initial £20 precept uplift as well as £15.8 million towards TfL's costs arising from the NI Health and social care levy in place from April to November 2022 and an assumed c£18.2 million contribution towards the scrappage scheme. This assumed phasing for the scrappage scheme between 2022-23 and 2023-24 is indicative at this stage and the actual profile will be dependent on the level of applications and timing of payments made.

Retained business rates and council tax

6.31 Subject to consultation and billing authority forecasts due in late January 2023, it is proposed the Mayor will allocate a total of £2,169.4 million to TfL in 2023-24, which comprises of funding from the Mayor's non-police council tax precept of £177.2 million and business rates funding of £1,992.2 million. Funding received under the business rate devolution proposals are not restricted to support capital investment and can be used to cover operating and financing costs (subject to paragraph 14 of the 30 August 2022 Funding Settlement) and business rates funding is shown in the objective / subjective analysis tables in its entirety.

6.32 Within this draft budget the Mayor has also provided additional business rates funding of £48.0 million on an ongoing basis from 2023-24 to ensure that the option of purchasing weekly and longer dated travelcards is maintained, that Londoners will benefit from the provision of a further additional one million kilometres of bus journeys each year and the retention of bus routes announced in the Central London Bus Review published in November 2022, and that older Londoners will not be subject to the withdrawal of the 60+ Oyster card during the plan period.

Reserves

6.33 At 31 March 2023, TfL general fund reserves are expected to total £500.0 million and are budgeted to remain constant at this level through to 31 March 2026.

6.34 In total, it is forecast TfL will hold £624.7 million of earmarked, street works reserve and general fund reserves at the close of 2022-23.

6.35 Earmarked reserves have been established to finance future projects. The street works reserve holds surpluses in relation to street works impacting traffic, which are required under legislation to be applied to reduce the adverse effects caused by street works. TfL maintain a general fund, with a target minimum of £500 million, to ensure liquidity and protect from short-term fluctuations in cash requirements.

6.36 The expected movements in reserves over the planning period are set out in the table below.

Movement in reserves during financial year	Outturn 2021-22 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Opening balances	886.9	681.2	624.7	679.6	756.4
Transfers to/from:					
Earmarked reserves	-205.7	-56.5	54.9	76.9	172.7
General reserves	0.0	0.0	0.0	0.0	0.0
Closing balances	**681.2**	**624.7**	**679.6**	**756.4**	**929.2**

6.37 The expected general fund, street works reserve and earmarked reserves at the end of each financial year are summarised in the following table.

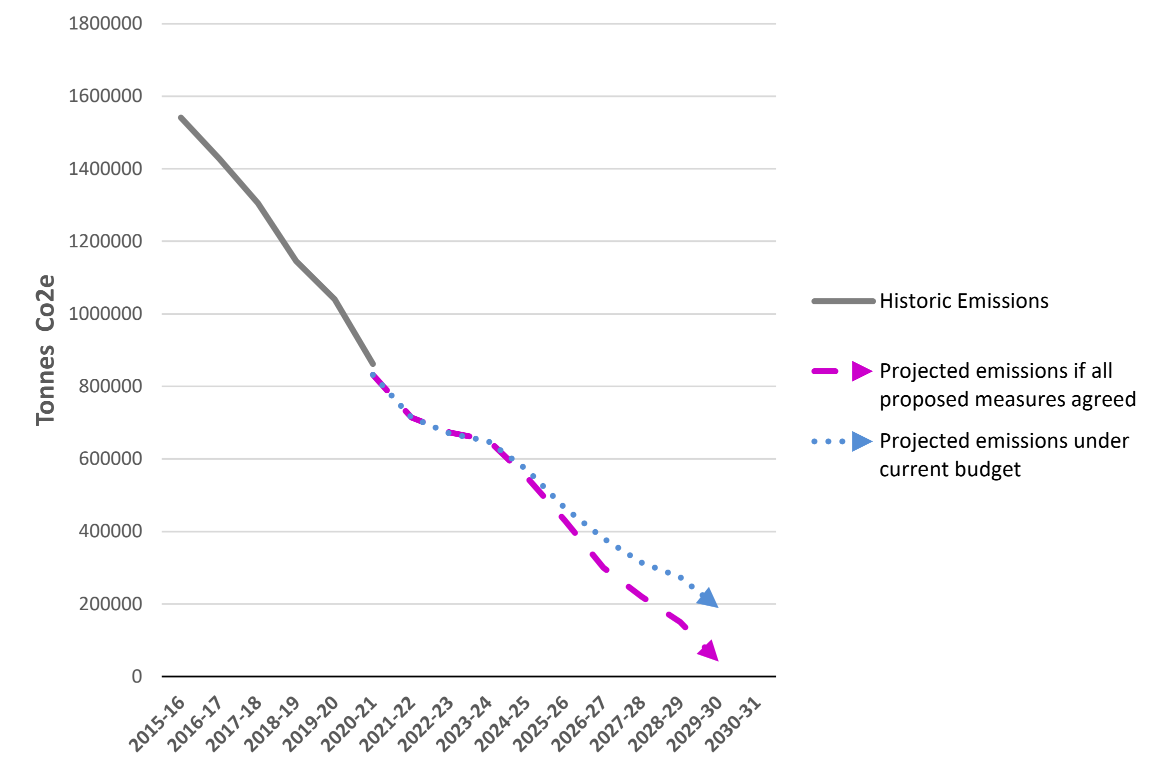
Total reserves at end of financial year	Outturn 2021-22 £m	Forecast 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Earmarked reserves	181.2	124.7	179.6	256.4	429.2
General reserves	500.0	500.0	500.0	500.0	500.0
Total	**681.2**	**624.7**	**679.6**	**756.4**	**929.2**

Environmental impact and Climate Budget

6.38 The scope of this year's Climate Budget is TfL's operational emissions, where it seeks to achieve net zero by 2030. This includes all energy and fuel that TfL purchases directly, along with the emissions associated with the operation of TfL-branded services. For example, this includes the emissions associated with the TfL bus network and London Overground, where TfL doesn't directly purchase the energy or fuel directly.

6.39 Figure 5 highlights the impact of TfL's climate measures on its CO2 emissions. In 2015-16, it is estimated TfL produced 1.5 million tonnes of carbon dioxide emissions each year. This has reduced by 54 per cent to an estimated 715,000 tonnes in 2022-23. The measures contained within this budget are estimated to reduce these emissions to 189,000 tonnes by 2030, a reduction of 88 per cent from 2015-16. If resources can be found to implement the additional measures currently proposed, it is estimated TfL's overall emissions could be reduced to 41,000 tonnes per year, a reduction of 97 per cent on the levels produced in 2015-16.

Figure 5: TfL impact of budget on carbon emissions



6.40 The main climate measures currently included in TfL's budget submission for 2023-24 to 2025-26 are set out in the following table (for further detail see Appendix J). They focus on improving energy efficiency at TfL buildings, building a zero-emission fleet and purchasing renewable energy. Around 98 per cent of TfL's operational emissions come from bus operations and the electricity it uses for its rail operations (covering traction and non-traction, for example in its buildings). Therefore, TfL's primary focus has been on tackling these two issues. Costs are estimates and will be updated once quotes are received from potential contractors:

Climate measure	Lifetime cumulative CO2e savings (Tonnes)	Anticipated total funding required 2023 to 2026 (£'000k)	Type of funding required (capital/revenue or mixed)
Building a zero emission vehicle fleet	3,496,957	55,852	Revenue
Purchasing renewable energy	330,896	1,116	Revenue
Retrofit of TfL buildings for energy efficiency	254,365	24,000	Capital

6.41 Further measures being undertaken, although currently out of scope of this first London Climate budget, which will have a significant impact on London's future emissions are as follows:

- TfL continues to invest in measures that incentivise active travel and reducing the usage of the most polluting vehicles in London, thereby reducing the carbon footprint of London as a whole. In October 2021, the ULEZ was expanded from central London up to, but not including, the North and South Circular roads, making it the largest zone of its kind in Europe.

- In November 2022 the Mayor announced that he will expand the ULEZ London-wide to tackle the triple threats of air pollution, the climate emergency and congestion, and to ensure five million more Londoners can breathe cleaner air. The expansion will come into effect on Tuesday 29 August 2023 and will operate across all London boroughs up to the existing Low Emission Zone boundary.

- The ULEZ expansion will be accompanied by a brand new £110 million scrappage scheme to support Londoners on lower incomes, disabled Londoners, charities and small businesses and sole traders. Successful scrappage applicants will receive a grant to scrap or – for the first time – retrofit their vehicle for certain vans and minibuses. Successful car owners can opt to receive a smaller grant accompanied by up to two free annual bus and tram passes, which would give them a higher financial package.

- To maximise the potential benefits of expanding the ULEZ and strengthen alternatives to private cars, the Mayor also announced a plan for improving the bus network in outer London that will see over one million further kilometres added to the bus network. In east London, new zero-emission cross-river services will be introduced, subject to consultation.

- TfL are also continuing to fund a project team to explore the delivery of waste heat opportunities that would provide CO2 savings to London, by capturing and re-using thermal energy from London Underground ventilation shafts for use by external suppliers of local heat networks and buildings.

6.42 With additional funding, TfL could deliver additional improvements that would close the gap between its forecast and net zero emissions by 2030. These future measures are outlined in Appendix J.

Equalities impact

6.43 This Budget moves TfL away from the managed decline trajectory TfL had previously been on, mitigating the widening inequalities that would have been caused by the reductions in operations and investment managed decline would have required.

6.44 TfL's obligations in equalities legislation, the Mayor's Transport Strategy and Inclusive London form the basis of its work on inclusion, diversity, equality, and accessibility. Their Action on Inclusion document was delayed so as to spend time restructuring and refining in collaboration with GLA colleagues. It is due to be published in early 2023 and it will underpin TfL's ongoing commitment to inclusion, diversity, equality, and accessibility.

6.45 Published in November 2021, 'Our Equality Objectives' clearly sets out how TfL is meeting its public sector equality duty and inclusion is threaded through all strategies including the Mayor's Transport Strategy and all its daughter documents.

6.46 TfL's published budget submission can be found here.

London Legacy Development Corporation

7.1 The London Legacy Development Corporation (LLDC) is a Mayoral Development Corporation (MDC), responsible for promoting and delivering physical, social, economic and environmental regeneration in Queen Elizabeth Olympic Park (QEOP) and surrounding area. In particular, LLDC aims to maximise the legacy of the London 2012 Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of increased social mobility in surrounding communities.

7.2 Since the London 2012 Olympic and Paralympic Games, LLDC has delivered the transformation of the Park and venues from their Olympic to their legacy configuration. LLDC also works in partnership to bring forward regeneration schemes, schools and housing to further the transformation of east London enabled by the London 2012 Games. Two such housing schemes, one at Chobham Manor and one at East Wick and Sweetwater, are complete and under contract, respectively. Further work includes delivering East Bank, a new cultural and educational centre, new social and transport infrastructure, and working with the host boroughs and other partners to create economic opportunity and support local people and businesses, as they seek to access it.

Key deliverables

7.3 During 2023-24, LLDC's revenue and capital budgets will be deployed to deliver its objectives, which include:

- completion of the construction of East Bank Stratford Waterfront cultural and educational buildings to programme and hand buildings over to the East Bank partners, including the opening of London College of Fashion and Sadler's Wells buildings
- delivery of an effective and responsive planning service with at least 70 per cent of applications determined in time
- managing and maintaining the quality of the Park and venues, including retaining Green Flag status
- supporting the safe delivery of major events within the Stadium programme including football matches, summer concerts, Major League Baseball and athletics
- completion of procurement for a joint venture partner for the Pudding Mill Lane mixed residential and commercial development
- securing government approval of the Stratford Station Strategic Outline Business Plan
- meeting and exceeding targets for construction and end use jobs for local people, Black, Asian and Minority Ethnic groups, disabled people, women and apprentices
- working towards improved financial sustainability of Queen Elizabeth Olympic Park (QEOP) and the London Stadium including maximisation of commercial opportunities

- progressing the strategy for the future of LLDC, including workforce planning and Mayoral approval for proposed boundary changes.

Responding to the London Recovery Board's missions

7.4 LLDC's work supports the Recovery Board's Missions in several areas. Its drive to create an inclusive innovation district has seen QEOP host trials for driverless vehicles, e-scooters and cargo-bike deliveries. Its skills and employment programmes are helping provide young people with the skills to compete for opportunities in the emerging tech and creative sector. The Good Growth Hub delivers preemployment boot camps, technical skills training, higher education bursaries, paid internships and placements as well as business support and inclusive training for employers. The quality parklands provide the space and environment to benefit health and well-being – both physical and mental. New neighbourhoods are being created on QEOP, including a new centre in Hackney Wick to provide the hubs to support local groups and cohesive communities. A network of Park volunteers supports all visitors to the Park providing a mobility service alongside advice and information.

7.5 The continued investment in local people, creating new homes and jobs is vital to signalling the confidence that exists in London's successful economic recovery. The sporting venues play host to some of the biggest international sports events keeping the world's attention on the capital and attracting international visitors. The new museums, theatres and music studios at East Bank will help to reinforce the Park as a must-visit part of the capital while its universities and businesses will help drive further investment into the emerging innovation sector attracting businesses large and small to locate in this part of London, supported by the large pool of skilled and talented young people that exists in east London. All this activity will support the creation of jobs in an area badly impacted by COVID-19.

Gross revenue and capital expenditure

7.6 Gross revenue expenditure in 2023-24 for LLDC is budgeted to be £72.6 million including estimated capital financing costs of £14.9 million and London Stadium funding of £18.0 million. The gross expenditure has increased by £6.4 million from the 2022-23 revised budget and is £1.3 million greater than the forecast outturn for 2022-23. The increase in budget is primarily due to significant inflationary pressures and the loss of income from planned disposals of capital assets and increased risk provisions. Indicative plans for 2024-25 and 2025-26 are £58.0 million and £50.0 million respectively. Provisions for the cost of the future transition of LLDC are included in its 2024-25 budget; the transition will be complete by March 2025.

7.7 Whilst there remains significant work for LLDC to do to fulfil the regeneration commitments made in the original London 2012 bid, it is anticipated that a large part of LLDC's direct role in this will be complete by 2025 – for example, completion of the East Bank project at Stratford Waterfront and enabling the reversion of planning powers to the local boroughs in 2024-25.

7.8 Accordingly, LLDC's revenue grant allocation from the GLA will reduce from £38.8m (including transfers from the MDC reserve) in 2022-23 to £22.8m in 2025-26. This is a significant reduction reflecting the anticipated reduction in the size of the organisation.

7.9 For the long-term financial sustainability of LLDC, its objective is that, when developments on the Park have built out and the Fixed Estate Charge reaches its peak (from the mid-2030s), the requirement for grant funding, excluding the London Stadium, will be eliminated. A Park Business Plan is being developed to inform the pathway towards this.

Net revenue budget and council tax requirement

7.10 Net revenue expenditure in 2023-24 is budgeted to be £44.6 million or £29.7 million net of financing costs and transfers from reserves. This has increased by £3.2 million from the 2022-23 revised budget and is summarised on an objective basis in the following table.

Objective analysis	**Revised Budget**	**Forecast Outturn**	**Budget**	**Plan**	**Plan**
LLDC	**2022-23**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
	£m	**£m**	**£m**	**£m**	**£m**
Park Operations and Venues	11.1	12.0	12.2	10.0	9.6
Trading	9.3	12.0	7.8	0.9	1.4
Developments	0.3	0.5	0.3	0.1	0.1
Regeneration	3.4	3.4	2.6	2.3	0.6
Corporate	12.4	12.9	11.9	11.6	9.2
Planning Authority	3.1	3.3	3.4	2.1	0.0
Stadium	12.6	14.6	18.0	11.2	11.6
Contingency	2.0	0.6	1.5	4.9	1.7
Financing costs	12.0	12.0	14.9	14.9	15.8
Total expenditure	**66.2**	**71.3**	**72.6**	**58.0**	**50.0**
Park, Operations and Venues	-4.7	-5.7	-5.4	-5.6	-6.1
Trading	-9.4	-11.3	-7.8	-2.1	-2.1
Developments	-0.7	-0.8	-0.7	-0.7	-1.0
Regeneration	-0.3	-0.3	-0.1	-0.1	0.0
Corporate	-0.6	-0.6	-2.7	-2.8	-2.2
Planning Authority	-1.4	-1.7	-1.7	-1.1	0.0
Total income	**-17.1**	**-20.4**	**-18.4**	**-12.4**	**-11.4**
Net service expenditure	**49.1**	**50.9**	**54.2**	**45.6**	**38.6**
Transfer to/ (from) MDC reserve	-7.7	-9.5	-9.6	-0.4	0.0
Net expenditure	**41.4**	**41.4**	**44.6**	**45.2**	**38.6**
Retained business rates for core activities	29.3	29.3	29.7	30.3	22.8
Services Grant	0.1	0.1	0.0	0.0	0.0
GLA funding for financing costs	12.0	12.0	14.9	14.9	15.8
Council tax requirement	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of budget changes

7.11 An analysis of the year-on-year movement in the council tax requirement, comparing the revised 2022-23 budget to the proposed 2023-24 budget, is set out below.

Changes in the council tax requirement	**£m**	**£m**
2022-23 council tax requirement		0.0
Changes due to:		
Net change in service expenditure and income		5.1
Including:		
Savings and efficiencies	*-1.0*	
Inflation	*7.2*	
Use of reserves		-1.9
Retained business rates funding (and Services Grant)		-0.3
GLA funding for financing costs		-2.9
2023-24 council tax requirement		**0.0**

Net change in service expenditure and income

7.12 The budget proposes a £5.1 million net increase in service expenditure. This reflects:

- increases in Fixed Estate Charge income, various movements to Trading income forecasts, an increase in events and programming income and an increase in planning-related income (e.g. planning fees and pre-planning consultation recharges) reflecting increased levels of activity in 2023-24 and 2024-25 until the planned reversion of town planning powers to the local boroughs; offset in particular by
- an increase in Stadium net expenditure due to significantly increased utility costs reflecting market prices, increased West Ham match day costs (which have remained higher than budget due to increases in London Living Wage and other rates, inflation, additional matches, delays in the in-housing stewarding project and fan behaviour), and a risk provision reflecting the possibility that a Stadium Naming Rights partner may not be secured in 2023-24; offset by the impact of the new agreement to bring Major League Baseball back to the Stadium and the settlement of a number of disputes along with a provision for costs associated with ongoing disputes.
- Provision for a 6 per cent pay award, which is 1 per cent higher than outlined in the Consultation Budget, funded from additional ongoing business rates income.

Savings and efficiencies

7.13 The budget incorporates planned savings and efficiencies of £1.0 million. These are expected to be delivered from:

- Income opportunities: Mainly from events and programmes held on the Park, including photoshoot and film hires.

- Discretionary spend: Existing savings built into the budget include professional fees, IT costs and savings expected from a rationalisation of LLDC's office space following a move from its current offices to an office building owned by Transport for London (part of the GLA Group). LLDC has continued to protect spend on Inclusion and Diversity, which is a priority area.

Inflation

7.14 The budget includes a provision for inflation of approximately £7.2 million. Of this, £0.7 million relates to pay, and the remainder relates to contractual increases, utilities and other related services.

Change in use of reserves

7.15 LLDC's reserves have been subsumed into the GLA's earmarked Mayoral Development Corporation (MDC) reserve. There is an increase of £1.9 million in the use of these reserves, reflecting the increased funding required to meet unavoidable inflationary costs.

Changes in retained business rates funding

7.16 LLDC receives its revenue funding via the GLA, paid from business rates and funds held in the MDC Reserve. The business rates funding provided by the GLA will increase by £0.4 million in 2023-24, compared to the revised 2022-23 budget.

7.17 The Mayor is proposing £44.6 million in funding (including for the London Stadium) via retained business rates. Specific financial pressures that require addressing include:

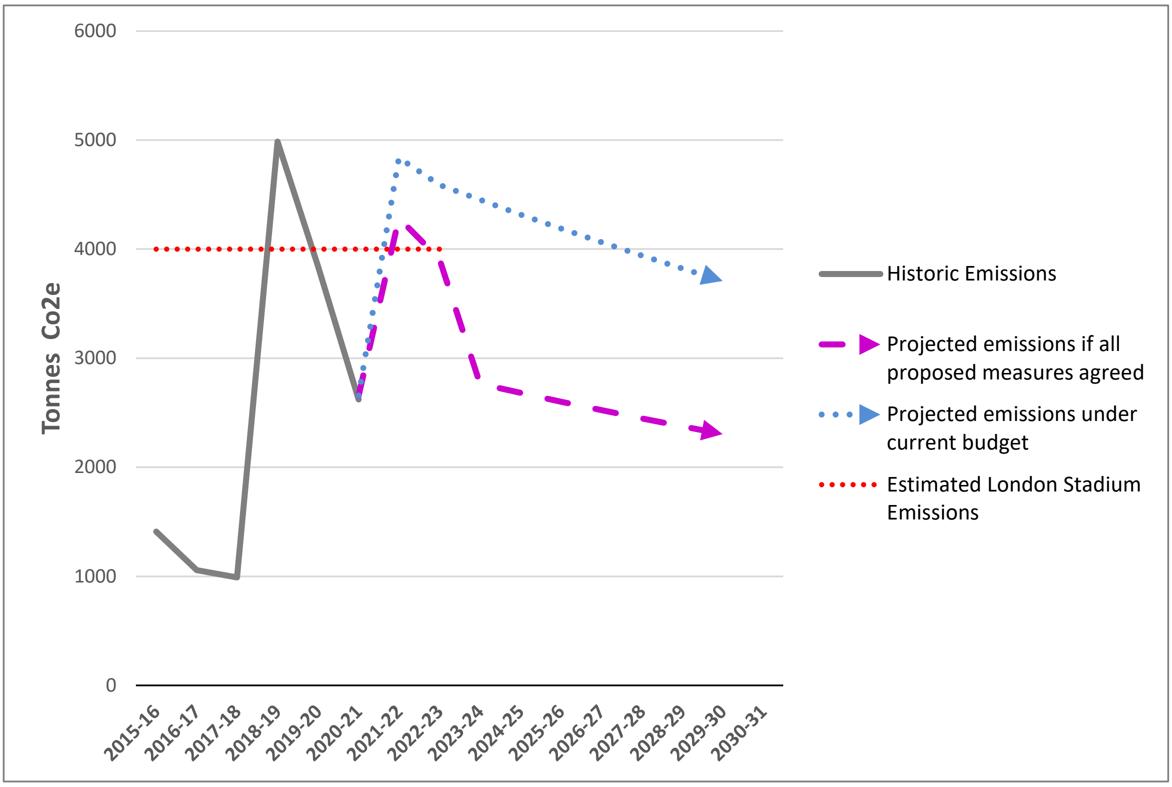
- increases in utility costs (electricity) as a result of the current high levels of inflation on energy costs
- delays to securing a Stadium Naming Rights partner
- increase in matchday costs, particularly due to increases in the London Living Wage and other rates, additional matches, delays in the in-housing stewarding project and fan behaviour

Environmental impact and Climate Budget

7.18 This section of the submission outlines LLDC's response to supporting the Mayor to achieve his target to make London net zero carbon by 2030.

7.19 Figure 6, below, highlights the impact of LLDC's climate measures on its CO2 emissions. In 2018-19 LLDC took on sole responsibility for the London Stadium and it is estimated the organisation then produced 5,000 tonnes of carbon dioxide emissions each year. This has reduced, by 3 per cent to an estimated 4,800 tonnes in 2022-23. The measures contained within this budget are estimated to reduce these emissions to 3,700 tonnes by 2030, a reduction of 26 per cent from 2018-19. If resources can be found to implement the additional measures currently proposed, it is estimated LLDC's overall emissions could be reduced to 2,300 tonnes per year, a reduction of 54 per cent on the levels produced in 2016-17.

Figure 6: LLDC impact of budget on carbon emissions



7.20 The main climate measures currently included in LLDC's budget 2023-24 to 2025-26 are set out in the table below (further details are included at Appendix J):

Climate measure	Anticipated reduction in CO2e emissions 2023 to 2026 (Tonnes)	Anticipated total funding required 2023 to 2026 (£'000k)	Type of funding required (capital/revenue or mixed)
Streetlighting	270	210	Capital
Improved lighting efficiencies, heat pumps and solar panels being incorporated at London Aquatics Centre, Copper Box Arena and London Stadium	786	881	Capital

Green tariffs and air travel

7.21 Regarding the use of green energy tariffs, LLDC anticipates transferring from a Renewable Energy Guarantees of Origin (REGO) contract to the GLA's renewable Power Purchase Agreement (PPA) in the future.

7.22 Emissions from staff air travel have been calculated (pre-pandemic) as 49 tonnes C02 per annum. LLDC offsets these emissions by an independently verified tree planting carbon offset scheme – delivered by Trees for Cities, verified by Avieco.

Future measures

7.23 A list of currently unfunded climate measures is outlined in Appendix J. Proposals include decarbonising the District Energy Network and applying a solar membrane to the London Stadium roof.

Equalities impact

7.24 LLDC was established to deliver the legacy ambitions of the London 2012 Games through 'the regeneration of an entire community for the direct benefit of everyone who lives there'. The host boroughs for the London 2012 Games contained some of London's most deprived neighbourhoods and communities and ambitious plans had long been fostered to regenerate this part of east London: to transform the post-industrial landscape while preserving local heritage and to create stronger economic conditions and better life chances for its residents.

7.25 LLDC's mission is 'to use the opportunity of the London 2012 Games and the creation of the Queen Elizabeth Olympic Park to change the lives of people in east London and drive growth and investment in London and the UK, by developing an inspiring and innovative place where people want to – and can afford – to live, work and visit.'

7.26 LLDC promotes equality through its objectives to:

- establish successful and integrated neighbourhoods where people want and can afford to live, work, and play
- retain, attract and grow a diverse range of high-quality businesses and employers, and maximise employment opportunities for local people and under-represented groups
- create a global, future-ready exemplar for the promotion of cross-sector innovation in technology, sustainability, education, culture, sport, inclusion and participation.

7.27 In addition, LLDC is promoting equality by putting in place arrangements to create more affordable housing within the residential developments around QEOP which have yet to be contracted.

7.28 Key positive actions being taken by LLDC include:

- a review and refresh of its Equity, Diversity and Inclusion Strategy and supporting action plan
- a third-party review of its recruitment processes and a continued focus on increasing workforce representation
- the flagship Inclusive Culture Campaign, an internal engagement campaign that promotes a more inclusive culture across the organisation
- a continued focus on Inclusion and Diversity and social mobility through a weekly all-employee webcast
- a continued support for LLDC's Race, Culture and Equity Group, which has delivered a programme of recent internal events and engagement.

7.29 LLDC's published budget submission to the Mayor can be found here.

Old Oak and Park Royal Development Corporation

8.1 The Old Oak and Park Royal Development Corporation (OPDC) is the Mayoral Development Corporation (MDC) established to deliver the strategic regeneration opportunity for the Old Oak and Park Royal Opportunity Area.

8.2 The new High Speed 2 interchange station at Old Oak Common is due to open within the next decade, bringing outstanding transport connectivity between Old Oak and central London, Heathrow and the wider UK. OPDC will utilise its planning and regeneration powers to ensure that these benefits are maximised. Old Oak and Park Royal has the potential to be the largest single new opportunity location to support London's recovery mission by delivering an inclusive and accessible new urban district with many thousands of new homes, jobs and facilities on land around the new station and beyond.

8.3 This budget has been prepared as OPDC gears up for a more delivery-focussed stage, having recently adopted its new Local Plan and following the government's approval of its strategic outline business case. Work with the government is accelerating to progress a detailed business case for the consolidation of development land – largely owned by the Department for Transport and Network Rail – around Old Oak Common Station that will become 'Old Oak West' a new mixed-use urban centre of around 9,000 homes. The business case requires extensive technical work to define infrastructure needs and constraints, scheme parameters and design, land assembly and delivery options. In parallel OPDC is working to acquire early delivery sites through the Mayor's Land Fund investment, and commencing an intense and detailed local engagement programme to prepare and adopt a Supplementary Planning Document for Old Oak West.

8.4 This is a highly complex, large-scale and long-term regeneration project and additional delivery capacity is required for the OPDC team, both specialist staff and programme budget to secure the business case and move into a credible delivery phase. A target operating model has been designed which sets out the resources required over the next three years as the project moves through its design and procurement phases, following which a revised model may be necessary once a joint venture master development partner is appointed.

8.5 There are three main functional areas where additional capacity is required. First, within the delivery team where additional, experienced project management capacity is needed to deal with infrastructure, land and development matters; second, within programme management; and third, in finance and corporate operations. The target operating model adopts the principle that OPDC will be an 'intelligent client', making use of technical advisors and their expertise wherever possible (with associated programme budget) alongside sufficient in-house capability to manage these technical advisors effectively. This model is more agile and enables OPDC to respond quickly and flexibly to specific needs over time.

8.6 OPDC's 2023-24 budget includes the costs of administering its existing and expanding statutory planning activities, spanning three boroughs (Hammersmith & Fulham, Brent and Ealing); funding to support additional interventions in Park Royal to boost the productivity and sustainability of London's largest industrial estate, accessing a number of third party funding bids; and support to bring forward early development sites.

Key deliverables

8.7 The key deliverables for 2023-24 are as follows:

- **Business case**: Secure agreement from government to a comprehensive and consolidated approach to its land assets and a funding strategy to bring forward the regeneration of Old Oak West.
- **Vision and master planning:** Prepare and adopt a Supplementary Planning Document for Old Oak West to define the Old Oak West scheme, including design character, green space, sustainability, utilities, amenities and public realm.
- **Housing delivery and infrastructure:** Expansion of OPDC's development management and enforcement activities as planning pipelines and developer interest continues to grow. The adoption of the Planning Obligations SPD and adoption of a CIL charging schedule in order to maximise contributions towards infrastructure requirements.
- **Accelerated development**: Assembling land to optimise development where sites can be brought forward through the Homes for Londoners Land Fund investment for the early delivery of 1,100 housing starts by 2028 and bringing opportunities to capitalise future operating costs. Maximising public benefit through a range of new public realm and meanwhile use interventions.
- **Industrial regeneration and sustainability**: Accelerate the decarbonisation of local industry, housing and institutions by exploring the opportunity to deliver a new local heat network, utilising waste heat generated from local data centres. Extend the roll out of solar energy on roof structures across Park Royal. Work with partners to support the intensification and modernisation of industrial infrastructure, especially through multi-storey development.
- **Inclusive growth and social value:** Commission a new baseline study and assessment tool to measure and monitor good growth through regeneration, including access to skills, training and employment.
- **Engaging communities and stakeholders**: Empowering local communities through genuine participation and agency in projects, policies and programmes. Launch new community small grants programme; additional local volunteering opportunities; work with local businesses and boroughs to maximise the opportunities from the Creative Enterprise programme and the Park Royal Design District.

Responding to the London Recovery Board's missions

8.8 Set out below are some of the continuing progress made by the Corporation against the London Recovery Board's five key aims.

- **Accelerate delivery of a cleaner, greener London:** OPDC's newly adopted Local Plan sets out ambitious policies to promote walking and cycling; improve public realm and deliver at least 30 percent of new development as green space (30 per cent of OPDC's area will be public green space). OPDC is developing a new corporate sustainability report with a clear roadmap and action plan to reach net zero in Old Oak and Park Royal. Plans are being progressed for an innovative new sustainable heat network and are supporting a programme of solar energy infrastructure across the Park Royal and Old Oak industrial estates.
- **Reverse the pattern of rising unemployment and lost economic growth caused by the economic scarring of COVID-19:** Securing a planning framework for 2.5m sqf of new commercial space, and a planning target for 56,000 new jobs. A new a jobs brokerage service (Forge@ParkRoyal); and supporting smaller businesses, artists and creatives to stay, grow and thrive in the local area through OPDC's Creative Enterprise Zone and Park Royal Design District.
- **Narrow social, economic and health inequalities**: Maximising the delivery of new affordable homes; ensuring developments contribute to new and improved social infrastructure; and ensuring that fairness and equality are embedded into OPDC's procurements.
- **Support our communities, including those most impacted by the virus:** Supporting local mutual aid organisations and community projects and organisations through outreach initiatives including OPDC's small grants scheme and volunteering programme.
- **Help young people to flourish with access to support and opportunities:** Provisioning four super-nurseries, one primary school and two community hubs, together with expanding existing schools in surrounding areas. Working with HS2's contractors to help place the available 250 apprenticeships; and working with local young people to shape the future of the area through mentoring and co-design.

Gross revenue and capital expenditure

8.9 Gross revenue expenditure in 2023-24 for OPDC is budgeted to be £11.3 million. This is £3.8 million higher than the revised budget for 2022-23, reflecting the additional capacity required as OPDC moves into its delivery phase as outlined above.

Net revenue budget and council tax requirement

8.10 The table below sets out the proposed budget for OPDC on an objective basis.

Objective analysis	Revised Budget	Forecast Outturn	Budget	Plan	Plan
OPDC	**2022-23**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
	£m	**£m**	**£m**	**£m**	**£m**
CEO Office	0.8	0.8	1.0	1.0	1.0
Planning	1.8	1.8	1.8	1.8	1.8
Delivery	3.0	3.6	5.6	6.3	6.3
Corporate Operations	1.9	2.2	2.9	3.1	3.1
Total expenditure	**7.5**	**8.4**	**11.3**	**12.2**	**12.2**
Planning application and other income	-0.7	-0.7	-0.5	-0.5	-0.5
Net service expenditure	**6.8**	**7.7**	**10.8**	**11.7**	**11.7**
Transfer to/ (from) MDC reserve	0.0	-0.9	-3.8	-4.6	-4.4
Net expenditure	**6.8**	**6.8**	**7.0**	**7.1**	**7.3**
Business rates	6.8	6.8	7.0	7.1	7.3
Council tax requirement	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of budget changes

8.11 An analysis of the year-on-year movement in the council tax requirement, comparing the revised 2022-23 budget to the proposed 2023-24 budget, is set out below.

Changes in the council tax requirement	£m	£m
2022-23 council tax requirement		*0.0*
Changes due to:		
Net change in service expenditure and income		4.0
Including:		
Inflation	*0.3*	
Use of reserves		-3.8
Retained business rates funding		-0.2
2023-24 council tax requirement		**0.0**

Net change in service expenditure and income

8.12 The budget proposes a £4.0 million net increase in total service expenditure. This reflects the additional resource required as the organisation gears up to deliver the strategy for Old Oak West and create a detailed Outline Business Case. As the Land Assembly programme progresses to unlock and accelerate housing delivery in Old Oak, OPDC will seek to capitalise revenue costs where permissible as well as continue to collaborate with and draw upon resources from partners across the GLA Group and wider public sector. OPDC will also explore opportunities to secure additional capital and revenue funding from government and its agencies wherever possible.

Inflation

8.13 The budget includes a provision for inflation of £0.3 million predominantly relating to contractual increases, and provision for a 6 per cent pay award, which is 1 per cent higher than outlined in the Consultation Budget.

Changes in retained business rates funding

8.14 The OPDC receives its revenue funding via the GLA, paid from business rates and funds, including those held in the Mayoral Development Corporation (MDC) Reserve. The funding provided by the GLA will increase by £0.2 million in 2023-24, compared to the revised 2022-23 budget.

Reserves

8.15 The OPDC's operational expenditure is funded by retained business rates and balances from the GLA's MDC Reserve. The revised budget for 2023-24 proposes a £3.8 million use of these reserves. OPDC will, once it commences acquisition and development of capital assets, also pursue opportunities for capitalising expenditure in the future which may result in less funding being required to be drawn in future from the MDC reserve.

London Climate Budget

8.16 OPDC does not have any emissions in scope of the 2023-24 climate budget. However, OPDC is supporting the Mayor's net zero by 2030 target through its planning policies and is directly involved in the delivery of three major projects, see appendix J, to reduce carbon emissions:

- **Local Area Energy Plan:** OPDC is developing a Local Area Energy Plan (LAEP) for West London alongside the GLA and nine West London boroughs. As well as developing the first sub-regional LAEP in London, the project will also develop detailed recommendations for the OPDC area and an actionable plan for providing resilient, affordable energy and a pathway to net zero. Set in the context of severe limitations on the West London electricity infrastructure, the plan will consider the requirements to reinforce the conventional grid, manage demand and bring both storage and renewable sources online to support growth.

- **Old Oak and Park Royal Energy Network:** Following a successful Strategic Business Case, OPDC is developing the Outline Business Case for a heat network designed to use waste heat from new data centres being built in the OPDC area to provide heating to new homes and businesses. The heat network has the potential to serve 12,000 homes, two hospitals, a prison and industrial development with net zero carbon heat. The project has the potential to deliver 150,000 tonnes of carbon savings over the 40-year life of the project.
- **Park Royal Solar Pilot:** OPDC is supporting businesses in Park Royal to capture the significant opportunity for solar installations on industrial buildings. OPDC has supported the delivery of solar schemes working with SEGRO and Cargiant and is focusing on supporting SMEs to unlock solar opportunities. OPDC has a target of unlocking the first 5MW of solar capacity which could deliver carbon savings of 2,000 tonnes over their 25-year operation.

Equalities impact

8.17 Equality and inclusivity is at the centre of the OPDC's corporate vision, supporting Old Oak and Park Royal to become a renewed urban community, where a thriving local economy supports a great place to work, visit and live; a place that is inclusive, accessible, and diverse; displaying the best practice in social and environmental design; and making a major contribution to London's success as a global city. OPDC's approach to inclusion aligns with the Mayor's Inclusive London strategy. The OPDC will:

- deliver new housing and employment capacity for London in ways that are accessible and inclusive for all sections of new and existing communities
- promote regeneration and community engagement, as outlined in the community engagement strategy which centres around inclusive engagement to involve, collaborate with and champion the diverse community in Old Oak and Park Royal
- support a diverse and inclusive workforce, including carrying out the actions and measuring themselves against their newly created Equity, Diversity and Inclusion Strategy (EDI)
- continue to monitor, analyse and publish workforce equalities data, to ensure that the workforce, including senior staff, is representative of London's population
- develop an Inclusive Recruitment Strategy which aims to attract talent from diverse backgrounds.

8.18 There is clear evidence that the pandemic was not felt by all Londoners in the same ways or to the same effect, with a disproportionate impact on some Londoners including those from BAME communities, disabled Londoners, and those living on lower incomes. Much of the uneven and disproportionate impact of the pandemic results from long-standing structural inequalities. OPDC's work to address this includes:

- continuing to work on equality, diversity and inclusion as a cornerstone, and critical cross-cutting area of work for the Corporation, ensuring that OPDC's internal working group in collaboration with its host boroughs is driving forward the implementation of OPDC's EDI strategy in the community

- supporting an increased level of engagement with London's communities, with an emphasis on communities and groups who face the greatest challenges and inequalities, and running community workshops and focus groups to enable local people to peer review and help develop OPDC's EDI strategy
- ensuring that the direct impacts of the pandemic and cost-of-living on health inequalities can be addressed across the work of the OPDC through specialist public health support, and that the appropriate support (whether through OPDC or its partners) can be accessed through its communications and engagement channels.

8.19 In accordance with the Public Sector Equality Duty and the Mayor's Equality, Diversity and Inclusion Strategy, OPDC will continue to assess the likely impacts of the proposals set out in this budget on external groups as proposals are further developed and refined. Equalities assessments of individual programmes will be carried out as appropriate.

8.20 OPDC is a small organisation and does not have a dedicated budget for EDI. However, EDI is embedded in all activities, and OPDC's learning and development budget is available for, and prioritised for, EDI related corporate memberships and training. All staff and Board members have individual annual EDI objectives and these are regularly reviewed and updated.

8.21 OPDC's published budget submission to the Mayor can be found here.

Capital Strategy including Capital Spending Plan

9.1 The Mayor is required to prepare a Capital Spending Plan (CSP) and a long-term capital strategy every year for each of the GLA's functional bodies. Before issuing his final plan, he is required to consult with the Assembly and each functional body under section 123 of the GLA Act 1999 and this statutory process was met by the consultation which took place on the wider budget between 16 December and 13 January. The Mayor is also required to set the borrowing limits for the GLA Group – the proposals for which are set out in Appendices A to F for the GLA and each relevant functional body. In view of OPDC's revised plans for the development of its area, at this stage, no Capital Strategy or Capital Spending Plan can be approved for that body. The London Assembly does not undertake capital expenditure. The final 2023-24 capital spending plan must be published by the Mayor before 28 February 2023.

9.2 The table below summarises the Mayor's draft Capital Spending Plan (CSP) to 2026-27. These figures include the capital costs of the climate measures that are deemed to be 'funded' within the GLA and functional bodies capital budgets, as set out in Appendix J.

Summary of the draft capital plan 2022-23 to 2026-27	2022-23 Forecast £m	2023-24 Plan £m	2024-25 Plan £m	2025-26 Plan £m	2026-27 Plan £m	5 year total £m
GLA	2,119.1	1,525.8	1,590.0	1,706.2	1,122.1	8,063.2
MOPAC	321.8	360.8	276.3	233.2	210.9	1,403.0
LFC	23.2	46.6	28.8	42.4	21.6	162.6
TfL	1,850.2	2,293.2	2,322.2	2,462.3	2,553.2	11,481.1
LLDC	275.4	195.2	48.2	30.1	50.5	599.4
OPDC	0.0	6.3	35.1	0.0	0.0	41.4
Total capital expenditure	**4,589.8**	**4,427.9**	**4,300.5**	**4,474.2**	**3,958.2**	**21,750.7**

Note: the remaining £8.6 million of the £50 million OPDC Land Fund loan facility is forecast to be spent outside of the above five-year snapshot to 2026-27.

9.3 The following table summarises the Mayor's Draft Capital Spending Plan for 2023-24 which shows the capital funding sources for the CSP in line with the format required under section 122 of the GLA Act. Further details on the GLA and each functional body's draft plan are set out below. More details of the key deliverables are set out in this section under each member of the Group and in the relevant appendices.

Draft GLA Group statutory capital spending plan 2023-24 under Section 122 of the GLA Act

	Section	GLA £m	MOPAC £m	LFC £m	TfL £m	LLDC £m	OPDC £m
	Total external capital grants	374.3	69.9	0.0	1,098.1	53.3	0.0
	Opening balance of capital receipts	1,473.5	0.0	0.0	0.0	0.0	0.0
	Total capital receipts during the year	0.0	56.1	0.0	249.8	142.7	0.0
A	**Total capital grants/ receipts**	**1,847.9**	**126.0**	**0.0**	**1,347.9**	**196.0**	**0.0**
	Minimum s.120(1) grant	0.0	0.0	0.0	0.0	0.0	0.0
	Total borrowings during the year	42.0	196.1	46.6	125.0	0.0	6.3
	Total credit arrangements during the year	0.0	0.0	0.0	0.0	0.0	0.0
B	**Total borrowings and credit arrangements**	**42.0**	**196.1**	**46.6**	**125.0**	**0.0**	**6.3**
	Total capital expenditure anticipated during the year	1,525.8	360.8	46.6	2,293.2	195.2	6.3
	Total amounts which may be treated as borrowing in the year because of section 8(2) of the Local Government Act 2003	0.0	0.0	0.0	0.0	0.0	0.0
C	**Total capital spending for the year**	**1,525.8**	**360.8**	**46.6**	**2,293.2**	**195.2**	**6.3**
	Funding: capital grants and contributions	1,419.8	69.9	0.0	959.6	68.8	0.0
	Funding: capital receipts/reserves	0.0	56.1	0.0	249.8	127.2	0.0
	Funding: borrowings and credit arrangements	42.0	196.1	46.6	125.0	-0.8	6.3
	Funding: revenue contributions	64.1	38.7	0.0	958.8	0.0	0.0
D	**Total funding**	**1,525.8**	**360.8**	**46.6**	**2,293.2**	**195.2**	**6.3**

9.4 The following table summarises the GLA and each functional body's high-level capital spending need for the subsequent fifteen years. These estimates are based on many detailed assumptions, set out in the individual Capital Strategies for the GLA and functional bodies. However, it shows that on average over the fifteen-year period, the Mayor has a capital spending need on average of some £9.9 billion every year from 2026-27 onwards**,** before any further measures associated with the London Climate Budget are included (see Appendix J for more detail). Just under 98 per cent of this spending need arises from housing and transport.

Capital strategy Outturn prices	Years 6-10 2027-28 to 2031-32 £m	Years 11-15 2032-33 to 2036-37 £m	Years 16-20 37-38 to 2041-42 £m	Total Years 6-20 2027-28 to 2041-42 £m
GLA: Mayor				
Housing	21,756.9	24,500.0	24,500.0	70,756.9
Regeneration	231.8	137.6	77.3	446.7
Environment	197.8	185.8	185.0	568.5
Other	158.1	167.6	178.0	503.7
Sub-total GLA	**22,344.6**	**24,990.9**	**24,940.3**	**72,275.8**
MOPAC				
Transformation	268.8	277.2	275.8	821.7
Maintenance	642.7	595.9	619.6	1,858.2
Sub-total MOPAC	**911.4**	**873.1**	**895.4**	**2,679.9**
LFC				
Estate, ICT and fleet maintenance	179.6	200.3	123.8	503.7
Sub-total LFC	**179.6**	**200.3**	**123.8**	**503.7**
TfL				
Line extensions	4,700.0	7,300.0	6,200.0	18,200.0
Line upgrades	5,000.0	7,600.0	11,100.0	23,700.0
Enhancements	8,400.0	10,700.0	11,900.0	31,000.0
Renewals	700.0	100.0	100.0	900.0
Sub-total TfL	**18,800.0**	**25,700.0**	**29,300.0**	**73,800.0**
LLDC				
Construction, infrastructure and lifecycle	104.3	88.0	1.6	193.9
Sub-total LLDC	**104.3**	**88.0**	**1.6**	**193.9**
OPDC				
Infrastructure	8.6	0.0	0.0	8.6
Sub total OPDC	**8.6**	**0.0**	**0.0**	**8.6**
Total GLA Group	**42,348.5**	**51,852.3**	**55,261.1**	**149,461.9**

9.5 The following table shows the GLA, and each functional body's total spending need over years five to twenty against the likely level of capital resources available and illustrates the scale of likely shortfall. As noted previously, these figures do not include any further climate measures proposed by organisations in the GLA Group that are currently deemed to be unfunded and unadopted (see Appendix J). Although this analysis is again subject to many assumptions set out in the individual Capital Strategy documents, it shows that the scale of capital need far outweighs the likely level of capital resources that under existing government policy the Mayor is likely to receive.

Outturn prices	Years 6-10 2027-28 to 2031-32 £m	Years 11-15 2032-33 to 2033-37 £m	Years 16-20 2037-38 to 2041-42 £m	Total Years 6-20 2027-28 to 2041-42 £m
GLA: Mayor				
Spending need	22,344.6	24,990.9	24,940.3	72,275.8
Likely funding	1,180.6	68.5	10.8	1,259.9
Sub-total GLA shortfall	**21,164.0**	**24,922.5**	**24,929.5**	**71,015.9**
MOPAC				
Spending need	911.4	873.1	895.4	2,679.9
Likely funding	208.9	267.4	217.9	694.2
Sub-total MOPAC shortfall	**702.5**	**605.7**	**677.5**	**1,985.8**
LFC				
Spending need	179.6	200.3	123.8	503.7
Likely funding	0.0	0.0	0.0	0.0
Sub-total LFC shortfall	**179.6**	**200.3**	**123.8**	**503.7**
TfL				
Spending need	18,800.0	25,700.0	29,300.0	73,800.0
Likely funding	16,500.0	17,500.0	20,000.0	54,000.0
Sub-total TfL shortfall	**2,300.0**	**8,200.0**	**9,300.0**	**19,800.0**
LLDC				
Spending need	104.3	88.0	1.6	193.9
Likely funding	104.3	88.0	1.6	193.9
Sub-total LLDC shortfall	**0.0**	**0.0**	**0.0**	**0.0**
OPDC				
Spending need	8.6	0.0	0.0	8.6
Likely funding	8.6	0.0	0.0	8.6
Sub total OPDC shortfall	**0.0**	**0.0**	**0.0**	**0.0**
Total GLA Group shortfall	**24,346.1**	**33,928.5**	**35,030.8**	**93,305.3**

9.6 The following sections set out the key issues arising from the above tables for the GLA and each of the functional bodies.

Greater London Authority (Mayor)

9.7 The GLA's detailed five-year CSP of £8.063 billion over 2022-27 can be summarised, as follows:

- housing expenditure of £6.9 billion which is principally to allow 116,000 affordable homes starts within London by 2023 and an additional 165,000 affordable homes starts by 2026
- the GLA's additional contribution to Crossrail of £0.3 billion
- regeneration expenditure of £0.4 billion which includes the Getting Building Fund, Further Education programme, Skills for Londoners, the Growing Places Fund and the Good Growth Fund, and Environment programmes, such as Warmer Homes and drinking fountains
- other capital expenditure of around £0.5 billion principally for the LLDC towards East Bank.

9.8 The detailed GLA CSP for the period 2022-27 reflects the current levels of availability of government capital funding, which acts a constraint on the Mayor's ambitions for London. The Mayor will continue to press for additional capital funding from the government, in particular given the climate and ecological emergency.

9.9 The GLA's shortfall between its capital spending need and likely level of resource is on average over £4.7 billion per annum from 2027-28 onwards. This is before the inclusion of any currently unfunded and unadopted climate measures associated with achieving the Mayor's aim for net zero carbon emissions by 2030 (see Appendix J). The shortfall principally results from the level of affordable housing required to achieve the aim set out in the London Plan of half of all new homes built being genuinely affordable. In addition, the gap arises from the bold ambitions for London set out in the Mayor's London Environment Strategy and the assumption that there will be a continued need to invest in regeneration and skills at least at current levels, but presently there are no confirmed resources for such programmes.

9.10 The GLA's Final Draft CSP, and authorised and operating borrowing limits, are set out at Appendix A.

MOPAC

9.11 MOPAC's detailed five-year capital plan of £1.403 billion over the period 2022-23 to 2026-27, can be summarised, as follows:

- £939.8 million on core capital essential asset enhancement and replacement activities including: £246.6 million on property lifecycle works; £160.1 million on fleet; £270.8 million on the core costs of IT equipment including for frontline officers, £35.3 million on covert and forensics activity and £227.1 million in National Counter Terrorism Policing Headquarters (NCTPHQ) investments (fully funded from grant)
- £463.2 million on development and modernisation to ensure the MPS is modern and fit for purpose for the 21st century. Activities include £159.2 million on transforming the workplace; £103.8 million on Counter Terrorism Operations Centre; £49.7 million on transforming investigations and prosecution and £103.9 million on optimising contact and response (including Command and Control).

9.12 Excluding NCTPHQ, MOPAC/MPS no longer receives central government capital grant to fund this programme. Therefore, the capital plan is funded almost entirely from capital receipts and borrowing. Property receipts are expected to reduce over the coming years leading to increased reliance on borrowing.

9.13 There are many uncertainties over this longer time horizon on both the funding and expenditure side. Therefore, it is assumed that the capital forecast will largely be that which is necessary to enhance and replace existing assets. When considering future innovation and transformation funding, there will be a need for MOPAC and the MPS to find a balance between capital and revenue funding.

9.14 MOPAC's draft CSP, and authorised and operating borrowing limits, are set out at Appendix B.

LFC

9.15 LFC's detailed five-year CSP of £162.6 million over 2022-27 allows for improvement and replacement of the Commissioner's building, fleet and IT assets and some limited sustainability works and new developments.

9.16 LFC's shortfall between spending need and likely level of resource is on average some £20.0 million per annum from 2027-28 onwards, after allowing for an assumed level of borrowing. This shortfall principally results from the need to continue to invest and maintain assets, such as the LFC's estate, IT and fleet. The programme includes the capital investment requirements to ensure that the LFC's fleet meets the ULEZ and replacement of vehicles as they come to the end of their useful life.

9.17 LFC's Final Draft CSP, and authorised and operating borrowing limits, are set out at Appendix C.

TfL

9.18 TFL's 2023-24 Budget has moved away from a 'Managed Decline' scenario, although funding available is still limited. Transport Trading Limited Properties has been set up as a new stand-alone entity during the 2022-23 year.

9.19 Total capital expenditure for 2023-24 will be £2,293.2 million including the Crossrail construction programme. The key investment areas in 2023-24 include:

- Crossrail construction programme - £47.6 million
- Modernisation of Circle, District, Hammersmith and City and Metropolitan lines - £101.6 million
- Major Station Upgrades including Elephant and Castle - £18.8 million
- Healthy Streets (includes ULEZ expansion expenditure of £82.5 million in 2023-24) - £108.5 million (£150 million on average across 2022-23 and 2023-24 including operating expenditure)
- Piccadilly line rolling stock - £431.3 million
- DLR fleet replacement - £260.2 million
- Transport Trading Limited Properties - £229 million
- Renewals – £725 million.

9.20 TFL's capital spending is financed from seven main sources:

- government grant as a consequence of the August Funding Settlement including assumed amounts beyond March 2024 for rolling stock and signalling replacement
- fares and ticket income
- charges under the road user charging schemes (Congestion Charge, LEZ and ULEZ)
- secondary revenue (such as advertising and property rentals)
- third party funding for specific projects (including grants provided by the GLA)
- surplus revenue resource from the capital grant funding through the business rates devolution
- prudential borrowing and related financing (including bond issuances).

LLDC

9.21 LLDC's detailed six-year capital spending plan (CSP) of £599.4 million over 2022-27 can be summarised as follows:

- £301 million for construction and completion of the East Bank educational and cultural district in the Queen Elizabeth Olympic Park
- £70 million of repayable loans to BBC/UAL towards the cost of their East Bank buildings
- £170 million of section 106 infrastructure works, planning, design and other costs to deliver housing developments, including required equity to invest in Stratford Waterfront and Bridgewater and Pudding Mill Lane residential development joint ventures
- £50 million for Stadium, Park and venue life-cycle and improvement projects, including for Stadium spend to save and energy efficiency projects.

9.22 LLDC has no shortfall between its spending need and likely level of resource over the fifteen-year period from 2027-28. This is because, after allowing for the GLA direct capital grants to LLDC, it is anticipated that capital receipts will be received to repay the GLA's investment in the Park.

9.23 LLDC's Final Draft CSP, and authorised and operating borrowing limits, are set out at Appendix E. The current approved maximum borrowing limit is £520 million and the 2022-23 borrowing requirement is well within this limit. As set out in last year's Budget, this increases to £550 million in 2023-24 due to movements in the expected quantum and timing of capital receipts and expenditure, despite pressures to LLDC's Long Term Model and the macroeconomic issues faced, LLDC will operate within the borrowing limits set. This peak level of borrowing is estimated to be maintained up to 2026-27 after which it is expected to decline as borrowings begin to be repaid.

OPDC

9.24 OPDC's Capital Strategy reflects a programme of land acquisition, infrastructure and enabling works to support the delivery of 1,100 homes by 2029, funded from a £50 million interest-free loan provided by the Mayor from the Department for Levelling Up, Housing and Communities (DLUHC) Land Fund. This represents the Corporation's first major investment in the OPDC area to both support delivery of the GLA's housing target and unlock the wider delivery of the Old Oak West Strategy.

9.25 In parallel with seeking funding from the DLUHC Land Fund, OPDC is working with Homes England (HE) to jointly develop an Outline Business Case to government setting out OPDC's delivery strategy for the consolidation of land owned by the Department for Transport (DfT), and controlled by Network Rail and HS2, into a single entity. As part of the development of the business case, OPDC and HE are also working closely with senior officials from DLUHC, the Infrastructure and Projects Authority (IPA), local government and DfT on options for delivery.

Greater London Authority: Mayor and London Assembly

Table 1: GLA: Mayor - Subjective analysis

Subjective analysis	Revised Budget 2022-23 £m	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Staff costs	80.1	80.1	86.9	86.6	88.3
Premises costs	7.1	7.1	7.1	7.1	7.1
Supplies and services	624.0	621.7	604.1	534.6	509.6
Capital financing costs:					
Financing costs - Crossrail	130.0	130.0	135.0	128.0	124.0
Financing costs - Northern Line Extension	20.0	20.0	18.0	18.0	18.0
Financing costs - other	3.4	3.3	1.8	1.6	1.5
Provision for repayment of debt/ other grant payments - LLDC	0.0	0.0	11.8	11.8	11.8
Total revenue expenditure	**864.6**	**862.2**	**864.7**	**787.7**	**760.3**
Sales, fees, charges and recharges	-33.1	-33.0	-31.8	-30.0	-31.8
Rental income	-1.6	-1.6	-1.6	-1.6	-1.6
Interest receipts	-27.0	-54.9	-36.0	-31.4	-26.3
Crossrail BRS and MCIL	-130.0	-130.0	-135.0	-128.0	-124.0
Northern Line Extension contributions	-20.0	-6.0	-4.0	-8.0	-13.0
Interest receipts GLAP loan	-15.0	-12.2	-15.0	-15.0	-15.0
Total Income	**-226.7**	**-237.8**	**-223.4**	**-214.0**	**-211.7**
Net cost of services	**637.9**	**624.4**	**641.3**	**573.7**	**548.6**
Transfer to/from reserves held for GLA services	-21.3	6.2	-28.8	-16.0	2.2
Transfer to/ from (-) reserves held for Group items	-41.9	-55.9	-25.8	-21.8	-5.0
Gap to be funded	0.0	0.0	0.0	-8.9	-21.0
Financing requirement	**574.7**	**574.7**	**586.6**	**526.9**	**524.8**
Specific grants	371.0	371.0	459.9	400.2	396.2
Retained business rates	125.1	125.1	57.4	58.7	59.9
DLUHC Services Grant	12.6	12.6	2.5	0.0	0.0
Council tax collection fund deficit	-0.6	-0.6	-0.6	0.0	0.0
Council tax requirement	**66.7**	**66.7**	**67.4**	**68.0**	**68.7**

Table 2: GLA: Assembly – Subjective Analysis

Subjective analysis	Revised Budget 2022-23 £m	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Staff costs	6.8	6.7	7.0	7.1	7.2
Supplies and services	1.6	1.5	1.6	1.6	1.6
Net revenue expenditure	**8.4**	**8.2**	**8.6**	**8.7**	**8.8**
Transfer to/(from) reserves	-0.4	-0.2	-0.2	-0.2	-0.2
Savings to be identified	0.0	0.0	-0.1	-0.1	0.0
Financing requirement	**8.0**	**8.0**	**8.3**	**8.5**	**8.6**
Council tax collection fund surplus/ (deficit)	0.0	0.0	0.0	0.0	0.0
Retained Business Rates	5.3	5.3	5.6	5.7	5.8
Council tax requirement	**2.7**	**2.7**	**2.7**	**2.7**	**2.8**

Table 3: GLA: Mayor - Draft capital spending plan

Draft capital plan	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m	Plan 2026-27 £m
Affordable Homes Programme (2016-23)	942.1	157.3	220.2	86.0	33.2
Affordable Homes Programme (2021-26)	58.5	685.8	709.6	1,127.2	518.3
Building Safety Fund	263.2	372.0	421.0	400.0	400.0
Community Housing Fund	4.1	15.8	4.1	1.6	6.0
Good Growth Fund	13.6	9.4	0.0	0.0	0.0
Housing Zone loans	23.9	70.8	39.8	0.0	3.8
Marginal Viability Fund	12.6	18.2	0.0	0.0	0.0
MHLG Land Fund	29.5	44.7	91.1	37.8	67.2
Move-On	10.7	1.5	0.0	0.0	0.0
Rough Sleeping Accommodation Programme	37.5	0.0	0.0	0.0	0.0
Skills for Londoners	10.0	18.0	20.9	4.9	0.0
Crossrail	319.5	0.0	0.0	0.0	0.0
Elephant & Castle (Ticket Hall and Construction)	17.3	4.8	4.8	2.1	2.1
Enterprise Zone – Royal Docks	3.5	19.3	22.1	17.5	28.5
Northern Line Extension	7.5	0.0	0.0	0.0	0.0
LLDC East Bank and Direct Grant Funding	108.7	49.0	0.1	5.0	32.9
LLDC Joint ventures	3.1	23.5	7.9	11.1	22.0
LLDC Loan Funding	98.2	-0.8	30.0	8.0	4.8
UCL Cultural and Education District	85.0	0.0	0.0	0.0	0.0
Other Projects (< £10m p.a.) and commercially sensitive projects out for tender	70.6	36.6	18.4	5.1	3.3
Total expenditure	**2,119.1**	**1,525.8**	**1,590.0**	**1,706.2**	**1,122.1**
Borrowing	383.3	42.0	60.0	36.6	55.3
Capital grants and third-party contributions	1,519.5	1,419.8	1,527.3	1,662.6	1,030.6
Capital receipts	9.4	0.0	0.0	0.0	0.0
Revenue Contributions	206.9	64.1	2.7	7.0	36.2
Total funding	**2,119.1**	**1,525.8**	**1,590.0**	**1,706.2**	**1,122.1**

Table 4: GLA: Mayor - Capital financing costs

Capital financing costs	2023-24 £m	2024-25 £m	2025-26 £m
Provision for repayment of debt	274.0	254.0	329.0
External interest	153.4	153.3	154.8
Total	**427.4**	**407.3**	**483.8**

Tables 5 and 6: GLA: Mayor - Borrowing limits

Authorised limit for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
GLA: Mayor					
Borrowing	7,200.0	7,200.0	7,200.0	7,200.0	7,200.0
GLA: Mayor Total	**7,200.0**	**7,200.0**	**7,200.0**	**7,200.0**	**7,200.0**

Operational boundary for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
GLA: Mayor					
Borrowing	6,800.0	6,800.0	6,800.0	6,800.0	6,800.0
GLA: Mayor Total	**6,800.0**	**6,800.0**	**6,800.0**	**6,800.0**	**6,800.0**

Mayor's Office for Policing and Crime

Table 1: MOPAC (including MPS) - Subjective analysis

Subjective analysis	Revised Budget 2022-23 £m	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Police officer pay	2,281.6	2,263.4	2,382.0	2,479.3	2,538.2
Police staff pay	665.6	632.3	676.4	687.8	694.1
PCSO pay	57.8	55.5	78.1	84.5	85.9
Total pay	**3,004.9**	**2,951.2**	**3,136.5**	**3,251.6**	**3,318.2**
Police officer overtime	137.2	198.3	137.5	135.4	137.2
Police staff overtime	24.2	36.5	24.2	24.2	24.2
PCSO overtime	0.2	0.3	0.2	0.2	0.2
Total overtime	**161.6**	**235.1**	**161.9**	**159.9**	**161.6**
Employee-related expenditure	24.3	45.5	18.1	16.9	15.9
Premises costs	178.5	182.6	175.6	180.8	190.4
Transport costs	81.3	87.5	81.0	81.0	81.0
Supplies and services	722.3	718.5	774.2	754.2	753.7
Total running expenses	**1,006.4**	**1,034.1**	**1,049.0**	**1,033.0**	**1,041.0**
Capital financing costs	161.8	169.0	126.7	126.1	136.6
Discretionary pension costs	34.4	38.6	45.3	45.3	45.3
Non-structural gap	0.0	0.0	0.0	-81.7	-117.6
Additional savings/funding required	0.0	0.0	0.0	-45.7	-133.2
Total expenditure	**4,369.2**	**4,428.1**	**4,519.3**	**4,488.5**	**4,452.0**
Other income	-325.8	-328.3	-329.4	-332.6	-332.6
Total income	**-325.8**	**-328.3**	**-329.4**	**-332.6**	**-332.6**
Net expenditure	**4,043.4**	**4,099.8**	**4,189.9**	**4,155.9**	**4,119.4**
Transfer to/from (-) reserves	-122.8	-110.4	-193.6	-96.8	-31.2
Net financing requirement	**3,920.6**	**3,989.4**	**3,996.3**	**4,059.1**	**4,088.2**
Specific grants	735.4	804.2	665.8	658.2	658.2
Retained business rates	65.4	65.4	86.2	88.4	89.7
Council tax collection fund deficit	-7.2	-7.2	-7.2	0.0	0.0
Home Office Police Grant	2,277.5	2,277.5	2,347.1	2,381.0	2,380.7
Council tax requirement	**849.5**	**849.5**	**904.4**	**931.6**	**959.7**

Table 2: MOPAC - Draft capital plan

Draft capital plan	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m	Plan 2026-27 £m
PSD- Forward Works and BAU	39.7	82.0	35.6	42.3	47.0
Fleet	27.1	37.9	28.9	38.4	27.8
Digital Policing	53.2	55.7	56.1	56.9	48.8
CTPHQ	56.4	56.4	55.7	27.7	31.0
Met Operations- Covert and Forensics	5.3	12.2	7.3	5.4	5.1
Optimising Contact and Response	47.0	49.5	4.7	2.7	0.0
Transforming Investigation and Prosecution	34.7	10.3	4.7	0.0	0.0
Operational Support Services	0.4	0.5	0.0	0.0	0.0
Learning and Professionalism Transformation	1.0	0.5	0.0	0.0	0.0
TD Flexible Service Portfolio	10.3	3.8	0.0	0.0	0.0
PSD- Central Estates Programme	35.3	17.3	32.7	10.9	7.7
PSD- Transforming the Workplace	11.4	34.7	50.7	38.9	23.6
Transformation	0.0	0.0	0.0	10.0	20.0
Total Expenditure	**321.8**	**360.8**	**276.3**	**233.2**	**210.9**
Funding					
Capital Grants & Third Party Contributions	68.3	69.9	61.0	34.7	39.6
Revenue Contributions	60.6	38.7	23.3	12.3	3.3
Capital Receipts	103.4	56.1	3.2	51.6	35.7
Borrowing	89.5	196.1	188.7	134.6	132.3
Total funding	**321.8**	**360.8**	**276.3**	**233.2**	**210.9**

PSD – Property Services Directorate

CTPHQ – National Counter Terrorism Policing Headquarters

Table 3: MOPAC - Capital financing costs

Capital financing costs	2023-24 £m	2024-25 £m	2025-26 £m
Minimum revenue provision for debt repayment	69.1	77.1	91.0
External interest	34.9	45.0	50.4
Total	**104.0**	**122.1**	**141.4**

Tables 4 and 5: MOPAC - Borrowing limits

Authorised limit for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
MOPAC					
Borrowing	784.9	611.2	887.7	1,103.6	1,188.4
Long term liabilities	54.4	54.4	49.7	39.9	31.5
MOPAC Total	**839.3**	**665.6**	**937.4**	**1,143.5**	**1,219.9**

Operational boundary for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
MOPAC					
Borrowing	659.9	486.2	762.7	978.6	1,063.4
Long term liabilities	54.4	54.4	49.7	39.9	31.5
MOPAC Total	**714.3**	**540.6**	**812.4**	**1,018.5**	**1,094.9**

London Fire Commissioner

Table 1: LFC - Subjective analysis

Subjective analysis	Revised Budget 2022-23 £m	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Operational staff	284.6	302.3	301.8	311.0	319.1
Other staff	69.2	69.3	66.2	67.4	69.2
Employee related	27.1	27.4	28.9	30.6	31.4
Pensions	21.8	21.4	22.0	20.2	19.3
Premises	46.3	44.7	50.3	51.4	52.2
Transport	17.3	17.5	17.9	18.0	18.4
Supplies and services	31.7	33.0	32.7	31.0	30.4
Third party payments	1.4	1.7	1.4	1.5	1.5
Capital financing costs	9.6	9.6	11.7	17.2	18.6
Total expenditure	**509.0**	**526.9**	**532.9**	**548.2**	**560.1**
Total income	-45.9	-46.7	-48.1	-49.3	-49.5
Net expenditure	**463.1**	**480.2**	**484.8**	**498.9**	**510.6**
Transfer to/(from) reserves	-2.0	-18.6	-6.7	0.0	5.0
Savings to be identified	0.0	0.0	0.0	-3.5	-2.8
Financing requirement	**461.1**	**461.6**	**478.1**	**495.4**	**512.8**
Specific grants	36.7	37.2	33.9	33.9	33.9
Services Grant	2.6	2.6	0.0	0.0	0.0
Retained Business Rates	242.7	242.7	252.3	257.2	262.3
Council tax collection fund deficit	-1.6	-1.6	-1.6	0.0	0.0
Council tax requirement	**180.7**	**180.7**	**193.6**	**204.3**	**216.6**

Table 2: LFC - Draft capital plan

Draft capital plan	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m	Plan 2026-27 £m
Expenditure					
IT projects	4.6	11.3	11.5	3.4	3.2
Major refurbishments	2.7	0.1	5.1	26.3	13.6
New developments	0.7	0.2	0.8	4.1	1.1
Minor works	5.7	7.6	3.8	2.4	0.9
Sustainability works	1.1	9.6	4.2	1.3	0.0
Appliance Bay doors	0.2	1.0	0.5	0.8	0.0
Fire Brigade fleet re-procurement	8.1	6.4	2.9	4.1	2.8
Operational Equipment	0.1	8.1	0.0	0.0	0.0
Communications	0.0	2.3	0.0	0.0	0.0
Total expenditure	**23.2**	**46.6**	**28.8**	**42.4**	**21.6**
Funding					
Capital receipts	9.6	0.0	12.3	0.0	0.0
Capital grants	0.0	0.0	0.0	0.0	0.0
Borrowing	13.6	46.6	16.5	42.4	21.6
Total funding	**23.2**	**46.6**	**28.8**	**42.4**	**21.6**

Table 3: LFC - Capital financing costs

Capital financing costs	2023-24 £m	2024-25 £m	2025-26 £m
LFC			
Provision for repayment of debt	8.7	12.9	14.1
External interest	3.0	4.3	4.5
LFC Total	**11.7**	**17.2**	**18.6**

Tables 4 and 5: LFC - Borrowing limits

Authorised limit for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
LFC					
Borrowing	175.0	175.0	175.0	175.0	175.0
Long term liabilities	70.0	70.0	70.0	70.0	70.0
LFC Total	**245.0**	**245.0**	**245.0**	**245.0**	**245.0**

Operational boundary for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
LFC					
Borrowing	170.0	170.0	170.0	170.0	170.0
Long term liabilities	70.0	70.0	70.0	70.0	70.0
LFC Total	**240.0**	**240.0**	**240.0**	**240.0**	**240.0**

TfL

Transport for London

Table 1: TfL - Subjective analysis

Subjective analysis	Revised Budget 2022-23 £m	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Passenger income	-4,300.4	-4,305.6	-5,239.0	-5,645.3	-6,053.6
CC, LEZ & ULEZ income	-773.6	-858.9	-1,028.4	-1,046.8	-812.4
Advertising income	-125.3	-144.1	-136.7	-131.5	-134.7
Property income	-73.7	-78.1	-83.3	-86.3	-88.4
Other income	-405.1	-393.3	-420.0	-435.5	-446.2
Total income	**-5,678.1**	**-5,780.0**	**-6,907.4**	**-7,345.3**	**-7,535.4**
Employee expenses	2,338.9	2,174.2	2,265.2	2,313.6	2,352.7
Property, Utilities, Cleaning & Security	539.9	533.9	614.0	649.8	655.7
Bus Contract Payments	2,040.0	2,027.4	2,182.6	2,285.7	2,311.8
Other Contracted Services Costs	783.3	798.3	860.2	918.8	950.1
Traction Current	205.7	199.6	289.3	318.2	312.2
Maintenance	510.0	508.5	536.3	563.1	572.0
Legal and Professional Fees	125.7	133.5	131.6	138.2	140.9
Technology Costs	166.9	167.6	166.3	174.7	177.3
Bad Debt Provisioning	230.7	353.5	458.5	487.9	327.6
Investment Programme	65.4	153.4	224.3	151.8	129.1
Staff Recharges	-411.1	-361.3	-371.7	-387.1	-394.0
Other Operating Costs	608.1	426.2	486.4	388.0	503.3
Total operating costs	**7,203.4**	**7,115.0**	**7,843.1**	**8,002.6**	**8,039.0**
Debt Servicing	426.0	417.5	414.6	448.4	515.5
Revenue resources used to support capital investment	1,086.8	1,126.4	690.0	1,110.7	1,225.4
Total gross expenditure	**8,716.2**	**8,658.8**	**8,947.8**	**9,561.6**	**9,779.9**
Net service income and expenditure	**3,038.1**	**2,878.8**	**2,040.3**	**2,216.3**	**2,244.5**
Transfer to/(from) reserves	93.3	-24.7	155.6	59.2	72.7
Financing requirement	**3,131.4**	**2,854.1**	**2,195.9**	**2,275.5**	**2,317.2**
Specific grants	8.0	17.5	8.0	0.5	0.5
GLA Contribution	15.8	95.5	91.5	0.3	0.0
Retained business rates	1,897.0	1,897.0	1,992.2	2,033.0	2,072.6
Services Grant	5.2	5.2	4.6	0.0	0.0
Collection fund deficit	-78.1	-78.1	-77.6	0.0	0.0
HM Government revenue support	1,231.0	864.5	0.0	0.0	0.0
Council tax requirement	**52.5**	**52.5**	**177.2**	**241.7**	**244.1**

CC - Congestion charging scheme.

Table 2 TfL - Draft capital plan

Draft capital plan	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m	Plan 2026-27 £m
Crossrail construction programme	246.8	47.6	0.0	0.0	0.0
Rolling stock and signalling replacement	472.0	804.9	1,002.9	1,091.3	1,100.5
Enhancements	359.6	486.8	348.5	258.5	249.3
Transport Trading Limited Properties	136.8	228.9	195.8	262.5	323.4
Renewals	635.0	725.0	775.0	850.0	880.0
Total capital expenditure	**1,850.2**	**2,293.2**	**2,322.2**	**2,462.3**	**2,553.2**
Capital receipts	133.3	249.8	80.5	156.3	177.4
Capital Grants & Third Party Contributions	81.0	886.6	618.1	698.0	708.5
Borrowing	0.0	125.0	370.0	495.0	495.0
Crossrail contributions from GLA/DfT	312.0	73.0	0.0	0.0	0.0
Revenue contributions	1,323.9	958.8	1,253.6	1,113.0	1,172.3
Total funding	**1,850.2**	**2,293.2**	**2,322.2**	**2,462.3**	**2,553.2**

Table 3: TfL - Capital financing costs

Capital financing costs	2023-24 £m	2024-25 £m	2025-26 £m
TfL			
Provision for repayment of debt	57.7	62.4	62.4
External interest	563.2	591.7	655.7
TfL Total	**620.9**	**654.1**	**718.1**

Tables 4 and 5: TfL - Borrowing limits

Authorised limit for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
TfL					
Borrowing	14,568.8	14,568.8	15,018.6	15,388.6	16,083.6
Long term liabilities	3,175.4	3,175.4	3,169.2	3,044.5	2,926.4
TfL Total	**17,744.2**	**17,744.2**	**18,187.8**	**18,433.1**	**19,010.0**

Operational boundary for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
TfL					
Borrowing	13,069.0	13,069.0	13,118.6	13,488.6	13,983.6
Long term liabilities	2,675.4	2,675.4	2,419.2	2,294.5	2,176.4
TfL Total	**15,744.4**	**15,744.4**	**15,537.8**	**15,783.1**	**16,160.0**

London Legacy Development Corporation

Table 1: LLDC - Subjective analysis

Subjective analysis	Revised Budget 2022-23 £m	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Employee expenses	11.1	11.1	11.8	10.5	5.4
Premises costs	1.8	1.7	1.0	1.0	0.5
Supplies and services	41.3	46.5	44.9	31.6	28.3
Financing costs	12.0	12.0	14.9	14.9	15.8
Total expenditure	**66.2**	**71.3**	**72.6**	**58.0**	**50.0**
Total income	-17.1	-20.4	-18.4	-12.4	-11.4
Transfer to/ (from) MDC reserve	-7.7	-9.5	-9.6	-0.4	0.0
Net expenditure	**41.4**	**41.4**	**44.6**	**45.2**	**38.6**
Retained Business Rates	29.3	29.3	29.7	30.3	22.8
Services Grant	0.1	0.1	0.0	0.0	0.0
GLA funding for financing costs	12.0	12.0	14.9	14.9	15.8
Council tax requirement	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Table 2: LLDC - Draft capital spending plan

Draft capital plan	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m	Plan 2026-27 £m
Expenditure					
East Bank	195.8	96.4	6.6	1.3	0.7
Development	18.9	37.1	38.4	26.8	48.4
Stadium	14.8	2.9	3.0	3.0	3.0
Park and Venues	12.6	5.6	1.7	1.9	1.7
Regeneration	0.6	0.2	0.2	0.0	0.0
Finance, Commercial and Corporate Services	2.5	2.2	1.4	0.4	0.2
Corporation Tax and Contingency	7.9	5.1	0.3	0.1	0.0
Adjustment for BBC/UAL loan	34.3	45.7	-3.4	-3.4	-3.5
Other	-12.0	0.0	0.0	0.0	0.0
Total expenditure	**275.4**	**195.2**	**48.2**	**30.1**	**50.5**
Funding					
Capital Receipts	13.9	78.2	15.1	16.8	12.8
Capital Grants & Third Party Contributions	54.6	68.8	3.1	0.2	0.0
Borrowing	98.2	-0.8	29.9	8.1	4.8
GLA Grant	108.7	49.0	0.1	5.0	32.9
Total funding	**275.4**	**195.2**	**48.2**	**30.1**	**50.5**

*Cash timing adjustments for BBC and UAL (University of the Arts London) loan

Table 3: LLDC - Capital financing costs

Capital financing costs	2023-24 £m	2024-25 £m	2025-26 £m
LLDC	0.0	0.0	0.0
External interest	14.9	14.9	15.8
LLDC Total	**14.9**	**14.9**	**15.8**

Tables 4 and 5: LLDC - Borrowing limits

Authorised limit for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
LLDC					
Borrowing	520.0	520.0	550.0	550.0	550.0
LLDC Total	**520.0**	**520.0**	**550.0**	**550.0**	**550.0**

Operational boundary for external debt	Current Approval 2022-23 £m	Revised Approval 2022-23 £m	Proposed 2023-24 £m	Proposed 2024-25 £m	Proposed 2025-26 £m
LLDC					
Borrowing	520.0	500.0	500.0	530.0	540.0
LLDC Total	**520.0**	**500.0**	**500.0**	**530.0**	**540.0**

Old Oak and Park Royal Development Corporation

Table 1: OPDC - Subjective analysis

Subjective analysis	Revised Budget 2022-23 £m	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Employee expenses	3.9	4.3	5.5	5.9	5.9
Supplies and services	3.6	4.1	5.8	6.3	6.3
Total expenditure	**7.5**	**8.4**	**11.3**	**12.2**	**12.2**
Total income	-0.7	-0.7	-0.5	-0.5	-0.5
Transfer to/ (from) MDC reserve	0.0	-0.9	-3.8	-4.6	-4.4
Net expenditure	**6.8**	**6.8**	**7.0**	**7.1**	**7.3**
Business rates	6.8	6.8	7.0	7.1	7.3
Council tax requirement	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Table 2: OPDC - Draft capital spending plan

Draft capital plan	Forecast Outturn 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m	Plan 2026-27 £m
Expenditure					
Land Fund	0.0	6.3	35.1	0.0	0.0
Total expenditure	**0.0**	**6.3**	**35.1**	**0.0**	**0.0**
Funding					
Borrowing	0.0	6.3	35.1	0.0	0.0
Total funding	**0.0**	**6.3**	**35.1**	**0.0**	**0.0**

GLA Group Savings and Collaboration

Shared services and closer working across the GLA Group and with external partners
The GLA has set a clear strategic direction to deliver efficiency and value through collaboration for all organisations in the GLA Group. Currently, there are many shared service and collaborative arrangements between members of the GLA Group. These include formal contractual relationships that have been established such as in the transport policing arrangement between MOPAC and TfL. Each arrangement is led by a member of the Group and some of the arrangements include a collaborative procurement programme; shared services such as treasury management, audit and financial services; and shared location arrangements. All are expected to deliver efficiency gains and/or cashable savings. A collaboration programme is in place, overseen by the GLA Group Collaboration Board, in order to identify and deliver further efficiencies across the GLA Group in back office and policy and delivery areas. Opportunities have been identified by deep dives into a number of back-office functions and policy areas to understand where the synergies are since July 2020.

Key current collaboration and shared services projects include:

- **The GLA Group Accommodation Strategy** outlines a strategic approach and direction of travel for greater estates collaboration among the GLA Group and Family Members. Its latest iteration, endorsed by the GLA Group Collaboration Board, is seeking to deliver cumulative financial savings of £255 million by 2029 which will be measured and reported on an annual basis. The key principles include a hybrid working model via shared hubs, a long-term preference for holding freehold over leasehold assets and optimising underutilised space within the GLA Group and Family Members by subletting, exiting properties and disposals.

- **The GLA Group Collaborative Procurement** function is based on a low-cost delivery model, utilising existing TfL procurement infrastructure, resources, and skills to deliver benefits through economies of scale and expertise. It is looking at bringing in significant cost savings by 2036 through various high value procurements – particularly those in facilities management and IT.

- **The Human Resources Shared Service (HRSS)** was launched in October 2022 delivering shared payroll services to the GLA and OPDC via TfL's MyHR system – thereby delivering a more consistent and standardised service with benefits covering shared learning, new technologies, reduction to operational risk amongst many. Although this has required significant investment, it also enables potential future growth and collaboration throughout the GLA Group creating greater scale efficiencies and cashable savings in the future.

- **An IT Shared Services** project is currently underway to improve the IT service delivery functions of GLA, OPDC and MOPAC by bringing them under TfL's Technology and Data function. There is also the potential for other GLA Group organisations to join the shared service at a later date. This project will deliver savings in 2023-24 and later years across the Group whilst providing an enhanced end-user experience. This project has been identified as a strategic enabler supporting the cultural change required for the success of other projects such as HRSS highlighted above.

- **A Strategic Talent Management project** which is exploring how talent can best be attracted, managed and retained across the GLA Group. The aim is to develop efficiencies via a consistent approach to managing talent, with a focus on job opportunities, secondments and mentoring between GLA Group members.

- **The Energy Procurement programme** which has been developed to help the GLA Group save money, decarbonise and manage risks through the collaborative procurement of corporate Power Purchase Agreements (PPAs). The programme will contribute towards significant cost savings of approximately £87 million, over the lifetime of the PPA, via lower energy costs and investment savings. The savings figure was included in the original business case, published in Summer 2021, and will be revised when the new business case, taking into account current energy market conditions, is produced in the first half of 2023-24. The financial benefits will begin to be realised when power procured via the PPA comes onto supply during 2024-25. The programme also supports the Mayor's aim for London to be a zero-carbon city by 2030 by helping decarbonise the energy supply of the entire GLA Group with total lifetime projected $CO2$ reductions of more than 900,000 tonnes.

- **The Electric Vehicle Infrastructure Delivery (EVID)** project is looking to utilise land on the GLA Group estate to accommodate rapid EV charging infrastructure. In consultation with London boroughs, TfL are assessing the suitability of approximately 2,600 sites and will be releasing those that conform to initial feasibility checks to the market in batches. An invitation to tender (ITT) for the first batch was launched on schedule, on 30 November 2022. Allowing charge point operators access to GLA Group land will also address a key barrier relating to the installation of an EV infrastructure in London.

Business rates and council tax maximisation programmes

The GLA seeks to maximise income from council tax, business rates revenues – including the Crossrail business rate supplement – in partnership with the 33 local billing authorities which collectively are expected to generate around £3.4 billion of revenues for GLA services, capital spending or to finance borrowing across the GLA Group in 2023-24. The Mayor has approved approximately £5 million per annum in previous years, all 33 London billing authorities were awarded funding for revenue maximisation projects – albeit in practice this expenditure is self-financing as the additional revenues raised for the GLA more than exceed our contributions.

This initiative demonstrates the GLA's commitment to working with boroughs and the Corporation of London for London's benefit, as nearly £14 billion is expected to be collected in 2023-24, in council tax, non-domestic rates and the Crossrail business rates supplement across the capital.

This is expenditure is expected to continue at the same level in 2023-24, 2024-25 and 2025-26, at this stage. The Mayor may, however, increase the current £5 million allocation in recognition of the additional work billing authorities are having to undertake to manage and address the increase in the level of council tax and business rates arrears which have arisen because of the pandemic and the current cost of living crisis and wider economic situation. As an illustration of this emerging challenge the GLA's pro rata share of the London wide council tax arrears was around £244 million at 31 March 2022 which is £100 million higher than the pre pandemic figure of £143 million as at 31 March 2019. The GLA's share of the bad debt provision for business rates has tripled over this same period from around £73m to over £228 million.

The total savings and efficiencies which have been identified in the 2023-24 budget process across the Group are summarised, on an annual incremental basis, below for the period 2022-23 to 2025-26.

Savings and efficiencies identified	**Forecast 2022-23 £m**	**Forecast 2023-24 £m**	**Forecast 2024-25 £m**	**Forecast 2025-26 £m**
GLA: Mayor	6.1	2.4	0.4	0.0
GLA: London Assembly	0.2	0.1	0.0	0.0
MOPAC	59.9	61.4	48.7	12.3
LFC	4.3	23.4	18.9	22.3
TfL	65.0	204.0	201.0	130.0
LLDC	2.9	1.0	0.0	0.0
OPDC	0.0	0.0	0.0	0.0
Total	**138.4**	**292.2**	**269.0**	**164.6**

Inflationary pressures for 2023-24 from the revised budget for 2022-23 is forecast as follows, split by pay and non pay:

Inflation for 2023-24	**Pay 2023-24 £m**	**Non Pay 2023-24 £m**	**Total 2023-24 £m**
GLA: Mayor	5.7	0.3	6.0
GLA: Assembly	0.0	0.0	0.0
MOPAC	62.5	40.5	103.0
LFC	15.7	3.2	18.9
TfL	20.0	263.0	283.0
LLDC	0.7	6.5	7.2
OPDC	0.1	0.2	0.3
Total revenue	**104.7**	**313.7**	**418.4**

A more detailed breakdown of the above savings and inflation can be found in each organisation's 2023-24 published budget submissions, links to which are provided in the relevant sections of this document.

Summary of Revenue Expenditure and Financing

The tables below summarise how the net expenditure (financing requirement) and council tax requirement is calculated for the GLA and each functional body in 2023-24.

	Gross Expenditure £m	Fares income £m	Other General income £m	Net Expenditure before use of reserves £m	Use of reserves £m	Net Expenditure after use of reserves £m
MOPAC	**4,519.4**	**0.0**	**-329.4**	**4,190.0**	**-193.6**	**3,996.4**
GLA Mayor	1,890.4	0.0	-223.4	1,667.0	-328.7	1,338.3
GLA Assembly	8.4	0.0	0.0	8.4	-0.2	8.2
LFC	533.0	0.0	-48.1	484.9	-6.7	478.2
TfL	8,947.8	-5,239.0	-1,668.4	2,040.3	155.6	2,195.9
LLDC	72.6	0.0	-18.4	54.2	-9.6	44.6
OPDC	11.3	0.0	-0.5	10.8	-3.8	7.0
Total other services	**11,463.4**	**-5,239.0**	**-1,958.8**	**4,265.6**	**-193.4**	**4,072.2**
Total GLA Group	**15,982.9**	**-5,239.0**	**-2,288.2**	**8,455.6**	**-387.0**	**8,068.6**

Note: Above figures for GLA Mayor include group items expenditure which is summarised in Section 2.

Council tax requirement and Band D council tax

	Net expenditure after use of reserves £m	Specific government grants £m	General government grants £m	Collection fund deficit £m	GLA Contributions £m	Business rates £m	Council tax requirement £m	Band D amount £
MOPAC	**3,996.4**	**665.8**	**2,347.1**	**-7.2**	**0.0**	**86.3**	**904.4**	**292.13**
GLA Mayor	1,338.3	459.9	15.9	-0.6	0.0	795.7	67.4	21.70
GLA Assembly	8.2	0.0	0.0	0.0	0.0	5.5	2.7	0.87
LFC	478.2	33.9	0.0	-1.6	0.0	252.3	193.6	62.35
TfL	2,195.9	8.0	4.6	-77.6	91.5	1,992.2	177.2	57.09
LLDC	44.6	0.0	0.0	0.0	14.9	29.7	0.0	0.00
OPDC	7.0	0.0	0.0	0.0	0.0	7.0	0.0	0.00
Total other services	**4,072.2**	**501.8**	**20.5**	**-79.8**	**106.4**	**3,082.4**	**440.8**	**142.01**
Total GLA Group	**8,068.6**	**1,167.7**	**2,367.6**	**-87.0**	**106.4**	**3,168.7**	**1,345.3**	**434.14**

Net revenue expenditure

The net revenue expenditure (or financing requirement) shown in the previous tables – after allowing for the impact of variances in the collection of council taxes by London billing authorities – represents the sum of:

- Revenue grants from the government. These include forecast general government grants (principally Home Office police grant) and specific grants (including, for example, Home Office police funding for counterterrorism and fire revenue grants).
- Retained business rates.
- Each body's share of the council tax precept.

The forecast financing requirement (net expenditure after use of reserves) for the GLA and each functional body is set out in the table below.

Net revenue expenditure (financing requirement)	Revised Budget 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
GLA Mayor	1,611.7	1,338.3	1,265.2	1,263.1
GLA Assembly	8.0	8.3	8.5	8.6
MOPAC	3,989.4	3,996.3	4,059.1	4,088.2
LFC	461.6	478.1	495.4	512.8
TfL	2,854.1	2,195.9	2,275.5	2,317.2
LLDC	41.4	44.6	45.2	38.6
OPDC	6.8	7.0	7.1	7.3
Net revenue expenditure	**8,973.1**	**8,068.5**	**8,156.0**	**8,235.9**

Retained business rates funding

The following table sets out the provisional allocation of retained business rates by the Mayor across the GLA Group for 2023-24 excluding the impact of prior year surpluses or deficits, reflecting the current assumptions. It includes the provisional estimate of the revised tariff payment the GLA will be required make to the government due to the impact of the 2023 revaluation but at this stage – pending consideration of the billing authority estimates and the revisions to the GLA's funding baselines made in the provisional local government finance settlement – at this stage as no growth against baselines is assumed the levy (on growth) payable to DLUHC is also assumed to be zero.

The current allocations for 2023-24 are indicative, therefore, and will be reviewed before the Mayor's final draft budget to take into account the local government finance settlement and returns submitted by the 33 London billing authorities in late January 2023 and updated information of the estimated outturn for 2022-23. Should growth materialise the Mayor may allocate the additional revenues in the final draft budget and include an estimated figure for any levy payable.

The 2023-24 financial year is the third and final year over which the spreading of the estimated 2020-21 deficit made by billing authorities in January 2021 is applied. The GLA will be required to repay approximately £86.5 million to billing authorities in 2023-24 in respect of this spread deficit with TfL's business rates allocation being reduced by its proportionate share of approximately £75.5 million. This will be managed within the business rates reserve alongside the additional net deficit based on the actual 2020-21 outturn and the draft 2021-22 outturn which is provisionally estimated at approximately £113 million.

The latest expected outturn deficit for 2020-21 is higher than this original estimated figure – this excess is not able to be spread over three years. The effect of this is a key driver of the business rates reserve dropping below £60 million in the next two years prior to the proposed corrective action to top this up to £114.2 million by March 2025 using £57.3 million from the billing authority repayment reserve as set out in section 1. Even this 2020-21 outturn data is subject to potential further revision as a number of authorities have still to have their annual accounts – and thus their business rates income position – signed off by their auditors for that financial year. In a limited number of cases 2019-20 accounts also remain unsigned. Several London billing authorities have also still to publish their draft accounts for 2021-22 including several central London boroughs with large taxbases so the figures for that year remain subject to change. One billing authority, for example, has made an adjustment between its draft and final 2021-22 business rates outturn which has created a further additional call on the business rates reserve in excess of £20 million since the GLA's draft accounts were issued in July 2022 due to adjustments to their provisions for bad debts and the estimated level of backdated refunds payable to ratepayers for successful valuation appeals. As authorities finalise their 2021-22 (and prior year audits) the balance held on the business rates reserve would decline further.

This means there is uncertainty in respect of business rates income for 2023-24 but also for 2022-23, 2021-22, 2020-21 and even 2019-20. This is being managed through the business rates reserve which even at its revised £114.2 million balance by March 2024 only holds resources equivalent to less than 2.5 per cent of the GLA's total local taxation revenues in one year.

An assessment will also be made of the case for any revisions required to 2023-24 allocations once billing authorities report their estimated outturn position 2022-23 (taking into account the deficit and/or surplus position for prior years in each case) in January 2023. Ratepayers may still challenge their 2017 rating list valuations until September 2023 and billing authorities have also experienced challenges in recovering business rates debts since the pandemic. They have made provisions for bad debt and potential levels of refunds required for successful business rates valuation appeals but it cannot be confirmed with any certainty at this stage if those provisions will be sufficient. The GLA's 37 per cent share of those valuation appeals and bad debt provisions held on its balance sheet at 31 March 2022 totalled around £626 million.

Appendix I outlines the assumptions made in more detail for 2023-24 and subsequent years, having regard to the continued uncertainty associated with the structure of the business rates retention system.

Proposed allocation of retained business rates income (including section 31 grants) in 2023-24

	GLA Mayor	GLA Assembly	TfL	LFC	MOPAC	LLDC	OPDC	Group Items	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Total funding allocated to GLA and functional bodies for revenue services and capital spending	57.4	5.6	1,992.2	252.3	86.2	29.7	7.0	2.9	2,433.2
Total Tariff and assumed levy payment to DLUHC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	735.4	735.4
Total	**57.4**	**5.6**	**1,992.2**	**252.3**	**86.2**	**29.7**	**7.0**	**738.3**	**3,168.6**

Council tax calculations

The difference between net revenue expenditure and the sum of grant funding from the government and retained business rates from the Mayor represents the amount to be raised from council tax. As outlined in Section 1, this sum is recovered by issuing precepts (i.e. the council tax requirement) on the City of London and the 32 London boroughs which are the statutory billing authorities for council tax, national non-domestic rates and the Crossrail business rate supplement in the capital. The council tax calculations in this budget also incorporate a one-third share of the original estimated collection fund deficit in respect of council tax for 2020-21, as a result of the statutory requirement to spread that deficit in equal amounts across the 2021-22, 2022-23 and 2023-24 financial years in budgeting terms.

Although the statutory arrangements only require a distinction to be made between police and other services, a summary of spending, funding and the resultant council tax attributable to each body is provided in the tables at the beginning of this Appendix. Details of the council tax requirement for police services and other services are set out in the following table.

Council tax requirement for police services

The estimated amount to be raised for police services is as follows:

Council tax requirement for police services	Revised Budget 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
Net financing requirement	3,989.4	3,996.3	4,059.1	4,088.2
Government grants, council tax surplus and retained business rates	-3,139.9	-3,091.9	-3,127.5	-3,128.6
Amount for police services	**849.5**	**904.4**	**931.6**	**959.7**

This is equivalent to a Band D element for police services of £292.13 for 2023-24 in the 32 London boroughs (£277.13 for 2022-23) reflecting the proposed £15 increase.

Council tax requirement for other services

The estimated amount to be raised for other services is as follows:

Council tax requirement for other services	Revised Budget 2022-23 £m	Budget 2023-24 £m	Plan 2024-25 £m	Plan 2025-26 £m
GLA, LFC, LLDC, OPDC and TfL net expenditure	4,983.7	4,072.2	4,096.9	4,147.7
Government grants, council tax surplus, retained business rates and use of MDC reserve	-4,619.6	-3,631.4	-3,580.1	-3,615.5
Amount for other services	**364.1**	**440.8**	**516.8**	**532.2**

This is equivalent to a Band D element for other services of £142.01 for 2023-24 in the 32 London boroughs (£118.46 for 2022-23). In the City of London this is the full Band D council tax amount payable for GLA services. The additional income generated as a result of increasing the core non police Band D charge by 2.99 per cent is proposed to be allocated to the London Fire Commissioner, in line with the approach in previous years. In addition, the Mayor proposes to increase the Band D element for other services by an additional £20 over the next two years (2023-24 and 2024-25) to support transport services in London, given the requirements of government funding agreements for TfL.

Summary of proposed adjusted and unadjusted council tax by Band

Adjusted amount of council tax paid by taxpayers in the 32 London boroughs (£)

Band	2023-24	2022-23	Change
Band A	£289.43	£263.73	£25.70
Band B	£337.66	£307.68	£29.98
Band C	£385.90	£351.64	£34.26
Band D	**£434.14**	**£395.59**	**£38.55**
Band E	£530.62	£483.50	£47.12
Band F	£627.09	£571.41	£55.68
Band G	£723.57	£659.32	£64.25
Band H	£868.28	£791.18	£77.10

Unadjusted amount of council tax paid by taxpayers in the area of the Common Council of the City of London for non-police services only (£)

Band	2023-24	2022-23	Change
Band A	£94.67	£78.97	£15.70
Band B	£110.45	£92.14	£18.31
Band C	£126.23	£105.30	£20.93
Band D	**£142.01**	**£118.46**	**£23.55**
Band E	£173.57	£144.78	£28.79
Band F	£205.13	£171.11	£34.02
Band G	£236.68	£197.43	£39.25
Band H	£284.02	£236.92	£47.10

Council tax referendum thresholds

The government consulted on the draft council tax referendum principles for 2023-24 – including those for the GLA – as part of the provisional local government finance settlement published on 19 December via 'The Referendums Relating to Council Tax Increases (Principles) (England) Report 2023/24'. The consultation on the settlement including these limits closed on 16 January. The GLA's excessiveness principles set out in paragraph 8 of the above report state that:

"For 2023-24, the GLA's relevant basic amount of council tax is excessive if—

(a) the GLA's unadjusted relevant basic amount of council tax for 2023-24 (i.e. the non police precept payable by taxpayers in the City of London) is more than £23.55 greater than its unadjusted relevant basic amount of council tax for 2022-23; or

(b) the GLA's adjusted relevant basic amount of council tax for 2023-24 (i.e. the total precept payable by taxpayers in the 32 boroughs – the area of the Metropolitan Police District) is more than £38.55 greater than its adjusted relevant basic amount of council tax for 2022-23."

The latter figure comprises the £20 bespoke flexibility for TfL, the £15 uplift for policing and £3.55 for the 3 per cent standard uplift for local authority and fire bodies on the non police element. The former excludes the £15 element for policing as taxpayers in the City of London contribute towards the City of London police instead.

Further detail on the excessiveness principles is set out in Part 3 of this Draft Budget.

Funding Assumptions

Introduction

This Appendix sets out the assumptions underpinning the main funding sources for the 2023-24 budget – business rates, council tax and Home Office police grant but excluding TfL fare revenues. It reflects the GLA's assessment of the impact of announcements made in the Autumn Statement on 17 November supplemented by the DLUHC policy statement issued on 12 December and the provisional local government finance settlement on 19 December. It also summarises the one-year provisional police grant settlement for 2023-24 published on 14 December. In addition, it addresses key policy developments such as the government's energy support scheme for non domestic premises, the 2023 business rates revaluation and the 2023-24 business rates relief schemes including the 75 per cent relief scheme for the retail, leisure and hospitality sectors and how these impact on the budget assumptions.

This Appendix also highlights the lack of certainty for the GLA Group's funding position for 2025-26 onwards given the lack of long-term clarity from the government about if, and when, it will implement the fair funding review and business rates reset and their failure again to publish multi-year settlements. In addition, there is significant uncertainty about the potential impact of the cost-of-living crisis and wider economic situation on council tax and business rates income moving forward.

Inflation impact and government support for energy costs

Current inflation levels are a significant risk to the GLA Group affecting pay costs, supplies and services and rising construction costs including materials in relation to housing and transport infrastructure projects.

Pay levels across the group comprise a mixture of locally and nationally set pay deals. The GLA Group also utilises a significant number of contracts with external partners and bodies to perform its various services and duties. Where contracts are for a period of longer than one year, it is common for the contractual payments to be uplifted each year based on a calculation using either the Consumer Price Index (CPI) or the Retail Price Index (RPI).

The government confirmed in September that local authorities and other public sector bodies would be eligible for the Business Energy Relief scheme. Discounts will be applied to energy usage initially between 1 October 2022 and 31 March 2023. On 9 January 2023, the government updated its guidance relating to the Energy Bills Discount Scheme (EBDS) for 2023-24. The eligibility for the scheme remains as it was in the original scheme and therefore it is understood it will continue to apply to the GLA Group organisations, although only LLDC has benefitted from the scheme towards slightly reduced energy costs at the London Stadium. However, the new scheme is significantly less generous:

- Under the previous scheme, the maximum discount, for those on a default or variable tariff contract, was set at £345 per megawatt hour (MWh) for electricity and £91/MWh for gas.

- Under the new scheme, maximum discounts have been set at £19.61/MWh with a price threshold of £302/MWh and £6.97/MWh with a price threshold of £107/MWh. The discount is calculated as the difference between the wholesale price associated with an energy contract and the price threshold.

The impact of this revised scheme is still being considered although as the previous scheme only provided less than £200,000 towards LLDC in 2022-23, it is not expected that this new, less generous, scheme will have any further adverse impact than estimated in this draft budget. If however it is determined following further analysis that the budgeted estimates contained in this draft budget need to be amended materially then an update will be provided in the final draft budget.

2023 Business rates revaluation – impact on London ratepayers and the GLA budget
There will be a revaluation of all non-domestic premises in England introduced from April 2023 – delayed from April 2021 – which will replace the existing April 2017 rating list. The revaluation will affect the business rates baselines and levy rates payable on growth by individual authorities.
The draft rating list was published on 17 November 2022 but valuations are subject to further revisions before the final or 'compiled' list – which will be introduced on 1 April – is published at the end of March.

The average increase in rateable values in London based on the draft list was 3.3 per cent compared to the national average increase outlined earlier of 7.3 per cent. Within London, however, there are some significant differences in terms of the impact by sector and by borough. There is an average 8.9 per cent drop in valuations for retail premises but a 6.1 per cent rise for offices and a 33.1 per cent uplift for industrial/manufacturing/warehouse premises. Twenty nine out of the 33 London billing authorities (excluding Hammersmith and Fulham, Islington, Kensington and Chelsea, Westminster) will see increases in aggregate valuations with Barking and Dagenham (as its rates base is disproportionately industrial/manufacturing) seeing the highest rise in London at 24 per cent. By contrast Kensington and Chelsea (where the rates base is predominantly retail, leisure and hospitality) has seen the largest reduction in average rateable values in London – down 11.9 per cent – so typically bills in that borough will fall.

Increases in actual bills based on the new valuations will be phased in over three years with differential caps depending on property size – so a smaller property (below £28,000 rateable value) in London can only see a maximum rise of 5 per cent in 2023-24 with a 30 per cent cap for larger properties (above £100,000). The cap for medium sized properties for 2023-24 is 15 per cent. Ratepayers seeing reductions in valuations will see their rates bills reduced immediately in line with these lower valuations as the government has provided approximately £1.6 billion of funding to avoid the need for so called downwards transition for the period of the 2023 rating list. Further details on the revaluation are available on the VOA website: https://www.gov.uk/government/news/business-rates-revaluation-2023.

As explained below the government equalises for the impact of the revaluation on the local tax take within the rates retention system for local authorities by adjusting tariff payments for authorities whose business rates baselines exceed their funding baseline and top-ups for authorities whose funding allocations are higher than their business rates income share. This means, in theory, no local authority will be better or worse off as a result of the tax take increase or declining in their area as a result of the redistributive impacts of the revaluation. This adjustment also negates the impact of a small number of high value transport and telecommunications assessments being transferred from the local to the central rating list on 1 April 2023. This includes the St Pancras station HS1/Eurostar network assessment which is currently held on Camden's local list. According to DLUHC's calculator this downwards adjustment to the GLA's tariff payment for 2023-24 is c£38 million.

Due to the fact that London's increase in rateable values is below the national average, the GLA's share of the business rates aggregate baseline nationally is expected to fall and therefore its tariff payment to the government to support services elsewhere in England has decreased as a result.

For the GLA, however, the revaluation and central list transfer will affect Crossrail BRS income as that is a local supplement where revenues are directly proportional to rateable values and is only charged on assessments in the local list. Based on an initial assessment it is not anticipated that the BRS tax take will change materially in aggregate but there will be significant distributional changes between boroughs due to the differential impact of the revaluation by sector and locality.

2023-24 Provisional Local Government and Fire Finance Settlement including the Government support to support local authorities for the associated cost pressures including the NNDR multiplier cap compensation

The estimates in this budget have regard to the provisional local government finance settlement published on 19 December which was one week after the high-level policy statement issued on 12 December. The government is expected to publish the final settlement in early February and therefore it is possible the allocations set out in the provisional settlement may change. The settlement data is available on the DLUHC website at https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2023-to-2024.

As part of the settlement the government publishes settlement funding baselines which notionally set out Ministers' allocations of resources before taking into account business rates growth (or deficits). Since 2017-18 all former fire and rescue and GLA general funding, TfL's former DfT general and investment (capital) grants, and MOPAC's share of prior year council tax freeze grants has been provided to the Mayor through locally retained business rates. This pilot arrangement has meant the GLA no longer receives core general revenue support grant for these services – excluding the Department for Transport extraordinary grant being paid to TfL to compensate it for its reduced fare revenues since the start of the COVID-19 pandemic. Core Home Office policing grant is provided separately as set out below.

The 2023-24 provisional settlement represents an effective roll-forward of the current 2022-23 arrangements for the business rates retention system and existing settlement funding baselines, subject to adjusting for the inflation compensation linked to the freezing of the business rates multiplier announced in the Autumn Statement. This is again a one-year settlement albeit the government has provided some limited indications as to its intentions for 2024-25. The government has confirmed that the current 67 per cent business rates pilot in London will continue on the same basis as in 2022-23 with the GLA receiving a 37 per cent retention share and the 33 billing authorities a 30 per cent share before any tariff, top up and levy payments are applied. The government has also confirmed that the existing 100 per cent pilots in several combined authority areas and Cornwall would also continue in 2023-24.

The government also stated in the 12 December policy statement that:

"In the longer-term, our ambitions for Levelling Up the country require us to assess our commitments to update local government funding. The government had previously committed to carry out a Review of Relative Needs and Resources and a reset of accumulated business rates growth. Whilst we can confirm that these will not be implemented in this Spending Review period, the government remains committed to improving the local government finance landscape in the next Parliament."

This means in practice that the so-called fair funding review and the business rates reset is now unlikely to take place before 2025-26 at the earliest. The medium to long term funding position remains uncertain, therefore, due to the lack of certainty in respect of the timing and impact of government's intended reforms to the local government finance system.

In the Autumn Statement the government also confirmed that the business rates multiplier (tax rate) will be frozen in 2023-24 at 49.9 pence (for small properties with a rateable value below £51,000) and 51.2 pence (the standard multiplier). This policy is estimated by the government to save English ratepayers approximately £9.3 billion over the next five years compared to increasing the multiplier in line with September 2022 inflation which is the statutory default basis for uprating the multiplier as prescribed in the Local Government Finance Act 1988. The Autumn Statement also confirmed that local authorities in aggregate would receive compensation for the reduction in revenues resulting from the freezing of the multiplier.

While the multiplier will indeed be frozen this is <u>after</u> the adjustments for the 2023 Revaluation as the multiplier is notionally reduced to offset the average 7.3 per cent increase in rateable values across England as required under the Local Government Finance Act 1988. This means the business rates tax base nationally in 2023-24 will increase by this 7.3 per cent national average revaluation uplift before transitional relief to phase in the impact of bills for ratepayers seeing increases. There is also a further adjustment which is assumed to be incorporated in the multiplier calculation relating to assumed losses due to future successful business rates valuation appeals. So part of the additional funding uplift will in practice be met by ratepayers.

The provisional local government finance settlement confirmed that revenue support grant allocations – which include around 45 per cent of the fire and rescue and 80 per cent of the London policing resources provided to the GLA via DLUHC – would be uprated in line with the September 2022 CPI inflation rate of 10.1 per cent. Funding for those resources provided through retained business rates – so called baseline funding – excluding grants rolled in via business rates pilots – are also being increased by 10.1 per cent comprising a c3.7 per cent uplift to baselines and an additional c6.4 per cent via multiplier cap compensation grant. No uplift has been provided for the former TfL capital grant of c£1.07 billion which is rolled in to the GLA's baselines for business rates retention under its pilot.

As a result of this uplift the GLA's settlement funding baseline which represents the government's assessed funding needs for those services funded through by DLUHC settlement is £2,338.7 million This is £54.1 million higher than the baseline of £2,284.7 million in 2022-23. In addition the GLA's multiplier cap compensation has been increased, provisionally. This is an estimate based on the GLA's business rates income being in line with its baseline after the adjustments for tariff, levy and other items. The actual level of cap compensation will be dependent on the aggregate business rates income estimates for 2023-24 reported by London billing authorities at the end of January. Overall the headline settlement data delivers a total uplift of £134.5 million or 5.6 per cent on the GLA's total funding baseline – or 10.1 per cent if the TfL capital element is excluded. In the Mayor's 2023-24 budget guidance – as reflected in the consultation budget allocations – an uplift of c£57 million was assumed.

The gross uplift is c£35 million lower than the £110 million midpoint uplift estimate made in the consultation budget. The difference is primarily due to the fact that the government did not provide any uplift in the £1.07 billion TfL capital investment grant element whereas this £110 million estimate assumed that this would also be uprated by the 3.7 per cent sector wide uplift applied to baseline funding levels (excluding revenue support grant).

The Mayor set out in the consultation budget that the £3.4 million element in respect of London policing identified in the police settlement would passported to MOPAC if confirmed in the local government settlement. This is the case and therefore this £3.4 million has been applied to MOPAC's retained business rates allocations for 2023-24 onwards.

The GLA has calculated that the additional uplift arising from the settlement now available to be distributed after adjusting for this cap compensation provision and the £3.4 million 'London policing' element is c£70.8 million when compared to the consultation budget allocations.

Part 1 explains how the Mayor has decided to distribute this additional £70.8 million per annum over the planning period. This assessment will be updated in the final draft budget to reflect the final settlement and the business rates income forecasts provided at the end of January given that any cap compensation receivable will ultimately be proportional locally to the estimated business tax take in 2023-24. No additional inflationary uplift for 2024-25 has been assumed at this stage as the government, as in previous years, has only provided a one-year settlement.

As has been stated these additional allocations are made on the basis that business rates income is in line with baselines and there is no business rates growth or alternatively revenues do not fall below these levels. In the event retained business rates income were to drop materially from that assumed, actual revenue could be subject to a safety net guarantee – a minimum guaranteed funding level irrespective of actual business rates receipts. The threshold for non pilot authorities (including London boroughs) equates to 92.5 per cent per cent of settlement baseline funding level but the methodology differs for pilot authorities including the GLA as the funding rolled in via the pilot is discounted in the calculation.

The GLA estimates that its aggregate safety net threshold will equate to 5 per cent of its baseline funding – which equates to the sum of £114.2 million now budgeted to be held in the BRR at the end of 2024-25 (which is based on the 2022-23 baseline) as explained in section 1. This is assumed to be reduced by £5 million in the following year but only to fund the support provided to billing authorities for council tax and business rates arrears and property inspection work which is in effect self-financing as the additional revenues raised more than exceed the investment.

The GLA's tariff payment for 2023-24 was confirmed in the provisional settlement to be £735.4 million – which is around £12.9 million lower than in 2022-23. This includes the downwards revaluation equalisation adjustment of c£38 million outlined above reflecting the fact that the increase in rateable values in London below the national average offset by the impact of the uplift in baseline funding provided through the provisional settlement.

The actual revenues available for services in 2023-24 which the Mayor has available to allocate can only be confirmed once the revenue forecasts are received from the 33 billing authorities and the final local government settlement is published and approved by the House of Commons. The actual revenue available to the Mayor will be determined, therefore, by the business rates income the GLA receives from billing authorities net of its tariff and any required levy payment on growth due to the government, supplemented by any section 31 grant to fund business rates reliefs and the business rates multiplier gap as well as any Services Grant it is awarded.

The GLA was also awarded a £36.4 million allocation from an explicitly one off un-ringfenced local government 'services grant' of £822 million nationally in 2022-23, which was assumed to include support to fund the cost of the NHS and social care NI levy for non-police services. In the 12 December policy statement it was confirmed this specific grant would continue in 2023-24 and was not explicit about future years beyond that. The provisional settlement confirmed that the funding allocated nationally for this 'services grant' is being reduced by £464 million or 44 per cent. The control total has been reduced to remove the estimated element relating to the cost of the NI NHS and social care levy increase reversed with effect from November 2022 as well as to top-up funding for other programmes such as the supporting families scheme (a programme which champions whole family and multi-agency working to support vulnerable families experiencing multiple disadvantages such as worklessness, domestic abuse, and poor mental health). The GLA's share of this services grant for 2023-24 is £20.5 million – this is £14.9 million lower than in 2022-23 but its share of the (lower) national control total is unchanged. Part 1 explains how the Mayor has allocated this £20.5 million sum.

2023-24 Home Office Police Grant Settlement

On 14 December 2022 the Minister of State for Crime, Policing and Fire announced the provisional grant allocations for 2023-24 for Police and Crime Commissioners in England, the Mayor's Office for Policing and Crime, and the City of London Police. This included the Home Office Police Grant and police formula grant (formerly paid by MHCLG), along with legacy council tax support and freeze grant funding for local policing bodies and, for both MOPAC and the City of London Police, their National International and Capital City (NICC) allocations. This, again, was a one-year settlement covering 2023-24 only with no indicative grant allocations or council tax flexibilities issued for 2024-25 onwards.

The Home Office consultation on the provisional settlement closed on 13 January and the final settlement is expected to be issued by early February following which the House of Commons will need to give formal assent to the 2023-24 police grant report. A copy of the written ministerial statement relating to the settlement is available at https://questions-statements.parliament.uk/written-statements/detail/2022-12-14/hcws443.

MOPAC has provisionally been allocated general police grant of £2,434.3 million in 2023-24, comprising £1,979.3 million of core Police Grant, £161.2 million in legacy council tax grants, £45.7 million for the police pensions grant, £62.8 million in ring fenced Police uplift programme (PUP) grant and £185.3 million in NICC funding. The pensions and PUP grants were previously paid as specific grants – the treatment used in the MOPAC budget for 2022-23 – but both form part of general police grant for 2023-24. The MOPAC tables and the consolidation calculations in section 1 and Appendix H reflect the impact of the settlement.

After adjusting for these rolled in grants it is estimated that there is a £42.2 million like for like increase in Home Office general police grant in 2023-24 compared to 2022-23. As outlined in section 4 an analysis has been undertaken which suggests that there is a small uplift – currently estimated at £1.7 million – arising from the provisional police settlement compared to the aggregate previously forecast funding allocations used in the consultation budget.

Of the £161.2 million in legacy council tax grants the GLA estimates that approximately £41.5 million relates to the police share of historic GLA council tax freeze grants originally paid during the period of the 2010-2015 Coalition government. This sum formed part of the GLA's revenue support grant rolled in the GLA's retained business rates funding baseline within the local government settlement under our existing pilot.

The 2023-24 estimated allocation as confirmed in the provisional local government finance settlement is approximately £3.4 million higher than the £38.1 million figure included in the 2022-23. This reflects the impact of the wider 10.1 per cent CPI uplift to revenue support grant and 3.7 per cent uplift in other baseline funding. This £41.5 million sum will again – as in 2022-23 – be payable via the DLUHC settlement through the GLA's settlement funding baseline for retained business rates and not via Home Office Police grant. The Mayor has passported this £3.4 million additional sum to MOPAC via its retained business rates allocation in this draft budget.

The provisional police and local government settlements confirmed that Police and Crime Commissioners would have the ability to raise the Band D council tax by up to £15 in 2023-24 compared to £10 in 2022-23. This flexibility also applies to the GLA and how this is reflected in its excessiveness principles is explained in Part 3.

MOPAC and other Police and Crime Commissioners will be advised separately of their counter-terrorism grant allocations which are not made public for security reasons. Funding arrangements for specific crime programmes were not announced in the provisional settlement and will be confirmed in due course.

Transport for London funding agreement with the Department for Transport

On 30 August 2022 TfL and the Mayor agreed a funding deal with the Department of Transport covering the period to 31 March 2024 - https://content.tfl.gov.uk/tfl-settlement-letter-30-august-2022.pdf. Further details on the implications of this are set out in the TfL sections.

In order to meet the government's requirement in successive TfL funding agreements that he provide at least £500m of additional recurring income from within his existing powers, the Mayor has agreed to increase his precept by £20 year on year to fund transport services between 2022-23 and 2024-25 which will raise an estimated additional £184 million per annum on an ongoing basis by the third year. This is supplemented in TfL's council tax requirement by the revenues from the £15 precept rise in 2021-22 used to maintain free under 18-bus and tram travel and the 60+ Oyster card which raises a further approximately £47 million per annum by 2025-26. The amounts raised by this aggregate £75 Band D uplift for transport services since 2021-22 supplements the historic core £6 million council tax requirement in place for TfL in place prior to the pandemic.

The Mayor is also providing additional resources to fund the new scrappage scheme announced by him on 25 November (£110 million) through the transport services funding reserve and to support London's bus network (approximately £71 million over three years) which is now being funded through allocating a share of the £70.8 million business rates uplift outlined earlier in section 6. Part 1 outlines the additional resources he has allocated from the uplift in revenues arising from the local government finance settlement to support the bus network, to maintain the current (paper) monthly and annual Travelcard scheme, to retain the current 60+ Oyster card qualifying age as 60 throughout the period of the current TfL business plan and to invest in cycle routes and extra cycle parking.

The Mayor also allocated £48.5 million of additional resources in his 2022-23 budget to help complete the Elizabeth line over and above the sums agreed in the December 2018 and November 2020 funding deals for that project funded from prior year revenues held in the GLA's business rates reserve and around £5 million from the 2022-23 services grant.

Further details on these allocations are set out in section 2 (in respect of the GLA support from the transport reserve and for Crossrail) and their application by TfL in section 6 and Appendix D.

Assumptions underpinning retained business rates assumptions in 2023-24 including the costs of government funded rates reliefs highlighting current risks and uncertainties in respect of prior and future years income

As noted above, London's 67 per cent retention partial pilot – reinstated in 2020-21 following the end of the 75 per cent London wide pilot in 2019-20 – will continue in 2023-24. The GLA's retention share will again on this basis be 37 per cent with boroughs receiving a 30 per cent share. The remaining 33 per cent of business rates income is being paid directly to central government by the 33 local authorities via the central share. It is unclear what arrangements will apply from April 2024 onwards and therefore retained business rates allocations set out in this budget for 2024-25 and beyond are indicative but is assumed that a further one year roll forward will take place with any fundamental reforms postponed to 2025-26. It is therefore highly unlikely that these reforms will take place before the next general election which must take place by no later than 24 January 2025.

As has been explained earlier it will not be possible to determine the actual monetary level of funding available – including any levy payment if applicable – until the business rates forecasts due to be supplied by London billing authorities in late January 2023. But small movements proportionately in business rates income are material given the GLA's funding levels. As an illustration, for every 1 per cent reduction in the GLA's business rates income there is an equivalent reduction of over £32 million in revenues before any adjustment in the forecast levy payable on growth (if applicable) is made.

The table below shows the statutory shares of retained business rates for the GLA, the 33 billing authorities in London and central government in each year since the business rates retention system was introduced in April 2013, along with a statement as to whether a levy was payable on growth to the government and a London-wide pool was in place. The position in 2021-22 reverted back to the situation in 2017-18 but may change again in 2024-25. This highlights the lack of long-term certainty in respect of the GLA's metrics and retention shares within the system.

Business rates retention: shares of retained rates and pool/levy position from 2013-14 to 2023-24	2013-14 to 2016-17 %	2018-19 %	2019-20 %	2020-21 %	2017-18, 2021-22 to 2023-24 %
GLA	20%	36%	27%	37%	37%
33 billing authorities	30%	64%	48%	30%	30%
Share retained locally	50%	100%	75%	67%	67%
Central government	50%	0%	25%	33%	33%
Levy on growth in place	Yes	No	No	Yes	Yes
London pool in place	No	Yes	Yes	Yes	No

The GLA and London boroughs will continue to receive section 31 grants in respect of government initiatives and policy changes which reduce levels of business rates income in 2023-24, including:

- the ongoing cumulative impact of the change to the annual uprating of the business rates (NNDR) multiplier from RPI to CPI, introduced in 2017
- the capping/freezing the multiplier in 2023-24, as well as the ongoing impact of any caps and freezes in prior years – which is addressed earlier in this section
- the increased thresholds for, and the continued doubling of, small business rate relief
- the increase from 50 per cent to 75 per cent in the relief for the retail, leisure, hospitality (RLH) sectors announced in the Autumn Statement which will provide a discount of up to £110,000 per business rather than per property
- any other government funded reliefs in place for 2023-24 including those made available to businesses to manage the transition to the new valuations being introduced from April 2023 due to the revaluation (e.g. the supporting small businesses relief which caps the annual increase in bills for ratepayers losing eligibility for small business rates relief as a result of the change in their property valuation at £600 for the life of the rating list).

These grants will be paid directly to the GLA in line with its share of the reduced business rates income which results. These section 31 grants are important and material and in recent years the accounting implications of their receipt – and the repayment of the associated deficits to billing authorities for the lost revenues – due to the impact of the pandemic has led to significant year on year volatility in the level of the business rates reserve as summarised in the GLA: Mayor reserves tables at the end of section 2.

By the end of March 2023, the GLA is forecast to receive around £671 million in additional section 31 grant from DLUHC due in respect of 2021-22 following on from the provisional £1.197 billion in compensation it received in March 2022 for its 2020-21 share of the cost of the Retail, Leisure and Hospitality (RLH) and nursery relief schemes in London. This was offset by a reduction in compensation for the 2020-21 and 2021-22 business rates (NNDR) multiplier cap due to the lower tax take from ratepayers compared to the pre-pandemic budgeted estimates for 2020-21. This approximately £671 million and £1.197 billion for the costs of the RLH and nurseries relief will be/were repayable to London billing authorities in the same month on a like-for-like pound-for-pound basis to reimburse them for this element of the GLA's billion estimated share of the 2021-22 and 2020-21 business rates collection fund deficit respectively. The grant is accrued in the relevant financial year but the deficit is not repaid until the following financial year to billing authorities which causes a significant build up and release of these large sums within the business rates reserve.

Based on the estimates supplied by billing authorities earlier in 2022, the GLA is forecast to receive around £374.3 million in compensation for the lost revenues arising from the RLH relief scheme for 2022-23 which forms part of this year's budget allocations – albeit this is a potential overestimate due to the impact of the £110,000 cap per business as it will be for individual ratepayers to determine whether they are likely to breach this across all their premises in England.

Further volatility will arise in 2023-24 due to the £1.5 billion COVID-19 additional relief fund (CARF) announced in December 2021 which was intended to provide a discount in 2021-22 to support ratepayers who did not benefit from the Retail, Leisure and Hospitality and nursery relief schemes. London local authorities were allocated a total of £434.6 million from this fund and it was for them to determine locally – having regard to the government's guidance note and conditions – which businesses should receive support. Relatively little of this relief funding was applied in 2021-22 so is being allocated in 2022-23 which will again create similar issues in respect of the timing of the receipt of grant and the repayment of the associated collection fund deficits during 2023-24. The impact of this will need to be calculated between the receipt of the NNDR1 data in late January and the publication of the final draft budget in February so that the Mayor can make an accurate assessment of the true estimated aggregate business rates surplus or deficit for 2022-23.

If the London CARF allocation is applied in full the GLA would receive additional section 31 grant compensation estimated at up to £161 million (i.e. on top of the approximately £374.3 million estimate for 2022-23 RLH relief albeit this latter figure may reduce once the £110,000 national cap per company is applied) to offset the resulting reduction in the level of collectable business rates in 2022-23. This will create similar timing issues in the business rates reserve as the associated section 31 grant will be accrued in 2022-23 but the collection fund deficit arising will not be repaid to billing authorities until 2023-24.

These reconciliation payments due for 2022-23 and 2023-24 for these COVID-19 related reliefs will in practice be paid on a like-for-like basis to London billing authorities before the end of March 2023 and March 2024 respectively – once the final outturn position for 2021-22 and 2022-23 is confirmed by the government having regard to the data supplied by billing authorities through their NNDR3 year-end returns. This is because a collection fund deficit is in effect created for each billing authority due to the reduced income paid by ratepayers.

As outlined above the current retail, leisure and hospitality relief scheme is being expanded in 2023-24 to 75 per cent from 50 per cent albeit with the same £110,000 national cap per business. The government confirmed in the Autumn Statement it would compensate local authorities for the lost revenues in full. It is too early to estimate the cost of the expanded RLH relief scheme for 2023-24 but the Treasury has estimated the cost nationally is around £2.1 billion – suggesting that the level of compensation payable to the GLA in section 31 grant to offset the lost revenue from ratepayers will be below £200 million after applying the £110,000 cap. This forms part of the assumed total retained business rates income for 2023-24 as set out in the table in Appendix H.

The GLA's estimated retained rates income in 2023-24 will be set out in the Mayor's final draft budget taking into account the statutory forecasts of business rates income provided by the 33 local authorities at the end of January 2023 and the final local government finance settlement.

Managing the uncertainty in relation to 2023-24 business rates income including government funding support and legislative steps taken to mitigate the impact of actual and potential losses in revenue on local authorities

In addition to the funding uncertainty for 2023-24 and future years the 2020-21 and 2021-22 outturn position is still to be finalised due to delays in the audits of a number of London billing authorities and a forecast outturn for 2022-23 will not be available until billing authorities report this at the end of January. This section addresses the issues and uncertainties affecting revenues across both years in turn.

The GLA's total share of the London wide collection fund deficit in respect of business rates, as set out in its 2021-22 accounts, was c£0.9 billion. However, this figure is provisional, as is explained below. In order to allow local authorities to manage their 2020-21 deficits, the government laid the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) regulations which allow all English local authorities to spread their council tax and business rates deficits for 2020-21 over the next three budget years (i.e. 2021-22, 2022-23 and 2023-24).

Due to the widespread delays in external auditors signing off 2020-21 accounts in London boroughs and elsewhere in England the government has been unable to finalise: the allocations for the 75 per cent compensation scheme for irrecoverable council tax and business rates losses (i.e. the Tax Income Guarantee or TIG grant); the specific grant reconciliation payments – relating primarily to the impact of 100 per cent relief for the retail, leisure, hospitality and nurseries sectors which reduced the tax take by an average of 40 per cent; and the final methodology for determining levy payments on growth and safety net support for authorities experiencing a large drop in revenues.

The 2020-21 outturn position also reflected the impact of the Non-Domestic Rating (Rates Retention, Levy and Safety Net and Levy Account: Basis of Distribution) (Amendment) Regulations 2020 which altered the methodology for calculating retained rates income, levy and safety net payments for major preceptors which apply from 1 April 2020.

Due to the accounting and timing impacts of the government's support measures for local authorities, business ratepayers and council taxpayers in 2020-21 and 2021-22, alongside the significant level of business rates collection fund deficits, there were significant year-on-year movements seen in the GLA's statutory accounts. The balance held on the GLA's business rates reserve, at 31 March 2022, reduced by around £0.5 billion in-year due to the following:

- a reduction of approximately £1,142 million released to repay billing authorities for the element of the 2020-21 collection fund deficit arising from the retail relief scheme and other deficits funded from government grants

- an increase of approximately £671 million accrued in section 31 grant for the equivalent 2021-22 relief scheme which will be repayable to billing authorities in 2022-23

- a reduction of approximately £133.5 million due to the release of tax income guarantee or TIG grant (75 per cent losses scheme for council tax and business rates in 2020-21) as approved via two Mayoral decisions in 2021. The balance of the unapplied TIG grant was allocated in the Mayor's 2022-23 budget.

It is hoped that a more accurate outturn position will be available for 2020-21 and 2021-22 prior to the publication of the Mayor's final draft budget in February 2023 but this cannot be predicted with certainty as it is dependent on the progress of local authority external audits. A number of key billing authorities in central London with large taxbases have still to publish their draft 2021-22 accounts so an audited position for that financial year may not be available for some time. There remain a number of boroughs with outstanding audits for 2020-21 and in a limited number of cases for 2019-20.

As an illustration of the scale of the challenges the Public Sector Audit Appointments Agency issued a press release on 9 December stating that only 12 per cent of local government bodies had had their 2021-22 accounts signed off by their auditors by the 30 November 2022 statutory deadline. This compares to 57 per cent for the 2018-19 accounts – the last set of accounts approved prior to the pandemic.

The Mayor has also taken measures to deploy resources to meet future income risks. In the final 2022-23 budget £71.8 million was held in the billing authority repayment reserve (BARR) as a risk provision. This sum has now been released to top up the business rates reserve (£57.3 million) and the MDC reserve (£14.5m) as explained in sections 1 and 2. The intended purpose of the BARR has been subsumed within the BRR.

Updated business rates estimates for 2022-23, 2023-24 and 2024-25 will be provided in the final draft budget reflecting the billing authority returns received in January and the impact of the final local government finance settlement.

Council tax assumptions
Each London billing authority is required to determine its council tax base for 2023-24 by 31 January 2023, reflecting council tax support arrangements and discounts. The taxbases of the 33 billing authorities together make up the taxbase used by the GLA for setting the council tax. This draft budget assumes an increase in the council taxbase of 1.0 per cent in 2023-24 at this stage, compared to the budgeted 2022-23 taxbase. This assumption is broadly in line with the Office for Budget Responsibility's (OBR) forecast for council taxbase growth in England as a whole, outlined in the OBR's Economic and Fiscal Outlook published in November 2022 informed by local estimates provided by billing authorities via survey data.

Billing authorities are required to set their 2023-24 taxbases and confirm those to preceptors and levying bodies by 31 January. They also required to provide an estimated collection fund surplus or deficit outturn calculation for 2022-23 for council tax, taking into account expected collection rates, changes in the valuation list due to new properties being added and other changes since their original taxbases were set in January 2022. The Mayor's final draft budget will be updated to reflect the impact of these figures.

The Mayor is proposing in this draft budget that the overall (adjusted) Band D council tax charge for the GLA payable by taxpayers in the 32 boroughs will increase by £38.55 or 9.7 per cent to £434.14 in 2023-24, compared to the 2022-23 level. This includes a £15 increase in the police precept, £3.55 for the LFC and a £20 increase for TfL. There is no cash increase in the Band D amount for either GLA: Mayor or GLA: Assembly although their council tax requirements do increase by 1 per cent as a result of the uplift assumed in the taxbase after adjusting the GLA:Mayor component for the one off impact of the £20 precept increase in 2022-23 for transport services which is now being passported to TfL in year.

The proposed increase in the unadjusted Band D council tax – the non-police element payable by taxpayers in the City of London – is £23.55 or 19.9 per cent, with the £20 TfL funding amount included or £3.55 (2.99 per cent) if this additional contribution towards transport services is excluded.

These Band D precepts are in compliance with the 'council tax excessiveness principles' as they apply to the GLA as explained in Appendix H.

Uncertainty around future funding due to a further delay in the implementation by the government of their planned reforms to the local government finance system

The government confirmed in the DLUHC policy statement a delay in the previously planned implementation of reforms to local government finance, including the planned full reset of business rates retention baselines and the fair funding review of needs and distribution for local and fire and rescue authorities until after the current spending review period. Overall, it is assumed that this means these reforms to local government and fire funding will not now take place until after the next general election and therefore the earliest possible implementation date would be 2025-26. However, the Home Office intends to start consultation on changes to the police funding formula shortly albeit it is unclear when any changes will be implemented.

The reset, once implemented, would be expected to remove much of the business rates growth achieved locally since 2013-14 and redistribute this in line with the government's revised estimates of spending need, taking into account the impact of the multiyear spending review and fair funding review. The fair funding review, if implemented, would also alter baseline funding levels, tariff and top up payments and levy rates on growth.

There are two other potential elements to the proposed reforms to the business rates retention and wider funding system which were previously planned but which have also been shelved: increasing the proportion of business rates retained by the sector potentially to 75 per cent and changes intended to increase stability and certainty which may alter the basis on which growth is calculated and the timing of when it is paid.

The government's fundamental review of business rates as a tax was published alongside the 2021 Spending Review. With the exception of some time-limited new relief schemes including for the retail, leisure and hospitality sectors, and the confirmation that there would be a move to a three yearly revaluation cycle from April 2026, there were no fundamental changes made to the operation of the business rates system.

The DLUHC Secretary of State confirmed on 21 November that he and the Chancellor of the Exchequer had also asked the Minister for Local Government to undertake a review of the operation of the council tax system. It is unclear when the recommendations for this review will be published but it is not anticipated that any fundamental reforms will be made in the current Parliament given these would most likely require primary legislation.

The uncertainty around the timing and implementation of the local government finance reforms and the failure again of the government to provide a long-term settlement for local government, police and fire services beyond March 2024 means there remains significant uncertainty on the likely level of funding the GLA will receive through retained business rates and Home Office policing grants beyond 2023-24.

Conclusion

The delay in the government finally providing clarity around the timing and impact of its planned reforms to local government finance and future funding allocations means there has been significant uncertainty underlying the preparation of revenue estimates set out in this budget. There is now greater certainty for 2023-24 but the absence of a multiyear settlement for local government, fire and rescue services and policing means there is no certainty for 2024-25 onwards.

The provisional local government finance settlement was published on the 19 December which was the last full working day before Parliament rose for the Christmas recess. Following the Hudson review published in October 2018 the then local government minister (now the Prime Minister) stated that it was the government's objective to publish future provisional settlements on or around 6 December subject to the timing of wider government spending announcements. This deadline has not been met in any single year subsequently and for 2023-24 was at least two weeks after this target date despite the 2022 budget and Autumn Statement being issued in mid-November. This has meant that local authorities and fire and rescue authorities have again had no time to consider the implications of the settlement prior to the Christmas break and the Mayor was again unable to reflect the actual settlement data in his consultation budget issued on 16 December.

Had the provisional police settlement been published by the same 6 December date recommended by the Hudson review it would have been possible for the Mayor to also give full consideration to the implications and reflect the allocations in his consultation document.

The business rates and council tax outturn position for 2020-21 and 2021-22 due to ongoing audit delays is uncertain, including the basis to be used by the government for calculating levy and safety net payments, is still not finalised. Allocations of retained business rates and council tax are based on prudent forecasts but actual levels will not be confirmed until the returns estimating their forecast revenues for 2023-24 – including estimated 2022-23 collection fund surpluses or deficits – are received from the 33 local billing authorities at the end of January 2023.

The long-term funding position beyond April 2025 is particularly uncertain due to the further delay in the implementation of planned reforms to local government finance including the fair funding review and business rates reset and lack of any multi-year settlement beyond 2024-25 for local government, police and fire services in England. This combined with the impact on the council tax and business rates taxbase, arising from the long term social and economic impact of the COVID-19 pandemic, and the current cost of living crisis and economic uncertainty as well as the deterioration in the public finances make forward planning with any degree of certainty somewhat challenging.

Climate Budget Measures

This Appendix represents a consolidation of all climate measures, proposed at the current time, by the GLA Group organisations in their budget submissions to the Mayor. The Appendix lists:

- climate measures to reduce carbon emissions across the GLA Group that are currently funded within GLA Group organisations' revenue and/or capital budgets between 2023-24 and 2025-26 (funded measures)
- climate measures that, if additional funding could be found, would further reduce carbon emissions across the GLA Group. However, these measures are currently unbudgeted for and have not been agreed (unfunded & unadopted measures).

This Appendix has been published as a separate analysis to the Consultation Budget and can be found here.

Budget timetable and key dates

Date	Description
26 January 2023	Mayor to present his draft consolidated budget to the London Assembly.
15 February 2023	Publication of final draft consolidated budget.
21 February 2023	Budget and Performance Committee meeting to consider draft consolidated budget.
23 February 2023	Mayor to present his final draft consolidated budget to the London Assembly.
27 February 2023	Statutory deadline for the Mayor to approve the final Capital Spending Plan for 2023-24 and notify the Secretary of State for Levelling Up, Housing and Communities – being the last working day before 28 February.
28 February 2023	Statutory deadline for major precepting authorities (including the GLA) to notify their billing authorities of their final Band D precept and council tax requirement(s) for 2023-24.
31 March 2023	Statutory deadline for the Mayor to approve the Authorised Limit for external debt (borrowing) for the functional bodies and the GLA alongside the Prudential Indicators and Capital Financing Requirements required by statute.

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Chinese
如果需要您母語版本的此文件，
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Hindi
यदि आप इस दस्तावेज की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नंबर पर फोन करें अथवा नीचे दिये गये पते पर संपर्क करें

Vietnamese
Nếu bạn muốn có văn bản tài liệu này bằng ngôn ngữ của mình, hãy liên hệ theo số điện thoại hoặc địa chỉ dưới đây.

Bengali
আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি (কপি) চান, তা হলে নীচের ফোন্ নম্বরে বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Greek
Αν θέλετε να αποκτήσετε αντίγραφο του παρόντος εγγράφου στη δική σας γλώσσα, παρακαλείστε να επικοινωνήσετε τηλεφωνικά στον αριθμό αυτό ή ταχυδρομικά στην παρακάτω διεύθυνση.

Urdu
اگر آپ اِس دستاویز کی نقل اپنی زبان میں چاهتے هیں، تو براہ کرم نیچے دئے گئے نمبر پر فون کریں یا دیئے گئے پتے پر رابطه کریں

Turkish
Bu belgenin kendi dilinizde hazırlanmış bir nüshasını edinmek için, lütfen aşağıdaki telefon numarasını arayınız veya adrese başvurunuz.

Arabic
إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى الاتصال برقم الهاتف أو مراسلة العنوان أدناه

Punjabi
ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Gujarati
જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

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