

Mayor’s Background Statement in support of his Final Draft Consolidated Budget for 2022-23

PART 1

Summary

This report presents the Mayor’s Final Draft Budget proposals for the Greater London Authority (GLA) and its functional bodies for the next financial year.

1 Introduction

1.1 Part 1 of the Mayor’s Final Draft Consolidated Budget (“Final Draft Budget” / “Budget”) sets out the Mayor’s final proposals in regard to allocations of council tax, business rates and government grants for 2022-23. It reflects the impact of the updated council tax and business rates forecasts received from the London billing authorities, as well as the impact of the final local government finance settlement. The effects of these changes on the Mayor’s budget proposals are outlined in the relevant sections below.

2 Final Draft Budget proposals

- 2.1 At its meeting on 26 January 2022, the Assembly passed two formal budget amendments to the Mayor’s Draft 2022-23 Consolidated Budget.
- 2.2 The Mayor has given careful consideration to the Assembly’s amendments to his Budget. However, he does not consider the arguments made to be convincing. A formal response to the amendments approved by the Assembly at the draft budget plenary meeting on 26 January are attached in the statement at Annex B as required by the GLA Act.
- 2.3 Nevertheless, the Mayor has reflected on the substance of the Assembly’s amendments and the debate on 26 January 2022; and, in light of the additional flexibility he has from the latest information from billing authorities on their council tax and business rates forecasts and the impact of the final local government finance settlement, he is making a number of changes to his Budget which he trusts will gain the Assembly’s support.
- 2.4 Therefore, following the London Assembly Plenary on 26 January 2022, this Final Draft Budget confirms the Mayor’s proposed increase in the Band D council tax, payable in the 32 London boroughs of 8.8 per cent from £363.66 to £395.59 in 2022-23. This means the police element of the precept will increase by £10 or 3.7 per cent, from £267.13 to £277.13, in line with the assumptions for English police forces set out in the Home Office settlement for policing. The precept for taxpayers in the Corporation of London area, which has its own police force, increases by £21.93 from £96.53 to £118.46.

3 Impact of updated council tax and business rates retention forecasts for 2022-23 and estimated deficits for 2021-22 provided by the 33 London billing authorities

Introduction

- 3.1 This section summarises the changes proposed to the Mayor’s earlier Draft Consolidated Budget (“Draft Budget”) considered by the Assembly on 26 January. It reflects the forecast additional revenues expected to be received in council tax and retained business rates following the final local government finance settlement and an analysis of the statutory estimates submitted by the London billing authorities since the publication of the Draft Budget. It should be recognised, however, that the allocations made in respect of business rates both in respect of the revised outturn position for 2021-22 and the 2022-23 forecast are based on estimates. They therefore are subject to some risk and uncertainty as the final outturn in each case may not be known until early 2023 and early 2024 respectively given the potential long term impact of the pandemic and the fact that the government’s business rates relief schemes will be substantially scaled back from 1 April 2023.
- 3.2 It should be noted that the GLA is still unable to confirm the final outturn position for 2020-21 eleven months after the financial year end as, at the time of writing, the government has still to confirm the final methodology for determining retained business rates income for that year. The final compensation due for 2020-21 losses in council tax and business rates income – the Tax Income Guarantee scheme – has also still to be confirmed by the government. There also remains significant uncertainty for 2021-22 due to potential valuation and collection losses and the final cost of government funded relief schemes relating to the impact of the pandemic including for the retail, leisure and hospitality sectors. The Mayor has therefore had regard to this potential volatility in making his allocations including the timing and phasing of expenditure.

Additional funding now available to be applied compared to the Draft Budget

- 3.3 In his Draft Budget, published in January 2022, the Mayor highlighted the following additional one off revenues which were available to be applied but were being held temporarily in the business rates reserve pending decisions being taken as to how they would be applied. The Mayor has now had time to consider this and this funding is now being released from the business rates reserve to fund expenditure in this Final Draft Budget. Specific proposals for expenditure of the £14.3m arising from the Mayor’s proposal to increase the Band D police precept by £10 are also included.

Additional funding allocated in Final Draft Budget	2022-23 Recurring £m	2022-23 One-off £m
DLUHC – General Services Grant – released from business rates reserve		36.4
Tax income guarantee (“TIG”) estimated funding for 2020-21 business rates and council tax losses which had not yet been allocated – transferred from business rates reserve		68.3
Non transport services element of 2021-22 unallocated business rates income – released from business rates reserve		41.9
Total allocated to fund new expenditure from sums held in business rates reserve in draft budget		146.6

- 3.4 The GLA’s £36.4 million General Services Grant allocation, first notified at the provisional settlement for 2022-23, was confirmed in the final settlement on 7 February 2022. The total amount to be provided to the GLA was unchanged between the provisional and final settlements. This is explicitly one-off funding. The government has stated they “will work with the sector on how to best distribute this money for 2023/24 onwards.” Therefore, it cannot be assumed that the GLA will receive any funding from this source in 2023-24.
- 3.5 In July 2020 the government announced that it would compensate local authorities for 75 per cent of their irrecoverable business rates and council tax losses for 2020-21. Based on the government’s published methodology and the draft outturn data provided by London billing authorities the GLA estimated it would receive £201.3 million in compensation which was held on an accrued basis in the business rates reserve at 31 March 2021, although the government has still to confirm the final allocations at the date of writing.
- 3.6 Of the forecast TIG income £133.5 million has previously been allocated in Mayoral Decisions 2847 and 2907 to fund TfL’s general expenditure (£127 million) and vehicle scrappage schemes (£5 million) with £1.5 million for group collaboration work. TfL’s allocation was intended to partially offset the estimated £230.5 million contribution it is required to make towards the unfunded 2020-21 business rate deficit of £275 million. The unallocated balance of the TIG income – £68.3 million – will therefore be released from the business rates reserve to be applied for expenditure purposes.
- 3.7 As noted in the Draft Budget, the £258.8 million of 2021-22 business rates related receipts being held in the Billing Authority Repayment Reserve to provide for refunds to ratepayers due to Covid-19 valuation appeals could now be released for expenditure purposes following the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021 receiving Royal Assent just before the provisional local government settlement. Of this, £216.9 million was transferred to the transport funding reserve in the draft budget in January. This Final Draft Budget now allocates the balance of £41.9 million which was transferred temporarily to the business rates reserve.
- 3.8 This £258.8 million combined figure remains provisional pending clarification on the final collection fund surplus or deficit position for business rates in 2021-22 and the sums billing authorities expect to allocate in retail, leisure and hospitality relief and through the COVID Additional Relief (CARF) fund. The total cost of these schemes across London was estimated to be just under £2.5 billion in May 2021 but is subject to some uncertainty due to collection losses and the £105,000 (essential retail) and £2 million (other retail, leisure and hospitality) caps in relief per business entity the government has put in place. The GLA’s share of the estimated London wide business rates collection fund deficit reported by billing authorities at the end of January for 2021-22 was £612.8 million but the government did not request that they supply an updated estimate of the costs of these two relief schemes as part of their return which are compensated via section 31 grant and may therefore fully or only partly offset this deficit. Due to the potential risk and uncertainty a c£72 million provision has been created to be held in the billing authority repayment reserve associated with this risk which is equivalent to 3 per cent of the GLA’s budgeted business rates income for 2021-22 to be held in the billing authority repayment reserve. Once greater certainty emerges on the 2021-22 outturn the Executive Director Resources may determine this provision can be released but, if not, the anticipation would be this sum would need to be repaid to the 33 billing authorities in 2023-24 when the final 2021-22 outturn reconciliation is adjusted for in cash terms.

Council tax

Police precept

- 3.9 The final police settlement for 2022-23 confirmed that the precept for local policing bodies in England could be increased by a maximum of £10 for police services before a referendum would be required. At the time of the Draft Budget no final decision had been taken on the allocation of the extra funding, pending work to identify further savings in order to enable the additional funding to be spent on new activities. Therefore, an additional £14.3m funding is available, representing the difference between the funds generated via a £10 increase compared to a 1.99 per cent assumption now the billing authorities’ tax bases are known. The Mayor’s proposed allocation of this additional funding in his Final Draft Budget is set out in section 4 below.

Change in council tax base

- 3.10 The Draft Budget assumed that there would be a 1.00 per cent overall increase in the London-wide council tax base in 2022-23. This estimate reflected a modest expected return to growth in the tax base following the 0.97 per cent reduction made by billing authorities when setting their 2021-22 taxbases in January 2021 compared to the 2020-21 figures approved prior to the pandemic.
- 3.11 Billing authorities submitted their council tax bases for 2022-23 to the GLA at the end of January 2022. In aggregate these returns show an overall increase to the council tax base of 1.73 per cent in 2022-23, compared to the tax base used for the 2021-22 Budget. This overall average figure reflects a wide range of estimates with two billing authorities reporting increases of five per cent or more with one in three reporting growth of less than one percent. The tax base figures from billing authorities reflect differing assumptions and circumstances in each billing authority in terms of collection rates, levels of council tax support to be provided to low income households and the local growth in the property base year on year. The GLA is required to use these billing authority taxbase estimates to determine the Group’s statutory council tax calculations and the budgeted council tax requirements for each constituent body.
- 3.12 The impact of this higher than anticipated council tax base for 2022-23 generates an increase in council tax income in 2022-23 for the Group of £8.7 million, compared to the previous estimate in the 2022-23 Draft Budget. Of this £6.1 million relates to the policing share of the precept and is automatically passported therefore to the MOPAC/MPS budget. The Mayor’s proposed allocation of the additional funding arising from final taxbase data in his Final Draft Budget including the sums for MOPAC are set out in section 4 below.

Council tax collection fund surplus

- 3.13 Billing authorities also provided figures for the GLA’s share of the estimated surplus or deficit on their council tax collection fund for 2021-22 and prior years. In 2020-21 due to the impact of the pandemic there was a large deficit of over £28 million and because of the uncertainty around the position for 2021-22 the Mayor assumed a net nil surplus/deficit position in his consultation and draft budget.
- 3.14 In aggregate, the GLA’s share of the estimated net council tax collection fund surplus for 2021-22 – as reported by the 33 billing authorities – which is payable to the GLA in 2022-23 is £9.8 million.
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- 3.15 The Mayor’s proposed allocation of the additional funding from council tax sources in his Final Draft Budget compared to the draft budget is set out in section 4 below.

Retained business rates

- 3.16 Billing authorities reported their forecast business rates income for 2022-23 along with their estimated outturn for 2021-22 through their statutory NNDR1 returns due at the end of January. In making the estimates they have had to make a number of assumptions relating to collection levels including provisions for bad debt, the impact of the government’s business rates relief support schemes including for the retail, leisure and hospitality sectors, the impact of potential refunds for successful non COVID-19 related challenges by ratepayers to their property valuations and potential movements in the wider taxbase. Total net business rates income before the pandemic was just under £9 billion and there are over 325,000 assessments on the rating list. It should be recognised, therefore, that their estimates are subject to an element of judgement with a potentially wide range of variation which has increased due to the impact of the pandemic.
- 3.17 This business rates income figures assumed in this Final Draft Budget have been prepared on the basis of the returns received from billing authorities. They also reflect the advice received from the GLA’s professional external advisors in respect of how these detailed and complex returns translate into the level of retained rates income which can be allocated for expenditure on services taking into account section 31 grants for reliefs and any levy and tariff payments payable to the government to support local services elsewhere in England. However, due to the risks and uncertainties highlighted above it remains prudent to maintain a provision through the Billing authority repayment reserve in case the final outturn position differs materially from these estimates.

Business rates growth

- 3.18 The Mayor’s Budget Guidance, issued in July 2021, recognising London’s ongoing recovery from the COVID-19 pandemic and the fact that a reset of business rates growth was expected to be introduced from April 2022, made a provisional aggregate allocation of retained business rates income equivalent to a two per cent inflationary increase on the GLA’s Baseline Funding Level compared to the 2021-22 local government finance settlement. In the local government finance settlement for 2022-23 the government confirmed that its planned reforms to the local government funding system including the business rates reset would be delayed again until at least April 2023. As set out in the Draft Budget this meant that the GLA would again expect to receive a material level of business rates growth in 2022-23 albeit due to the impact of the pandemic this could not be predicted with any certainty until the billing authorities had submitted their forecasts, due at the end of January 2022.
- 3.19 In the 2022-23 local government settlement the government has confirmed that the GLA’s local 67 per cent business rates retention scheme and those in five other local authority areas would continue for a further year. This means that subject to any levy on growth and its tariff payment the GLA retains 37 per cent of business rates income with London billing authorities retaining 30 per cent which is higher than the standard combined 50 per cent arrangements in place in non-pilot areas.
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3.20 Based on the GLA’s provisional analysis of the NNDR1 returns provided by billing authorities, it is anticipated that a further £150 million of growth in business rates will be available to the GLA Group in 2022-23 – which is lower than the pre-pandemic position seen in 2018-19 and 2019-20. The Executive Director, Resources advises that it should not be assumed that more than 25 per cent of this sum (£37.5 million) will be received on an ongoing basis, with the remainder (£112.5 million) regarded as a one-off amount available in 2022-23 only. Of this £112.5 million it has prudently been assumed that £40.7 million is currently available for expenditure; the balance is held in the in the BARR until more certainty is available on the 2021-22 outturn position including the impact of the Retail, Leisure and Hospitality and Covid Additional Rates Fund relief schemes. The 25 per cent growth retention figure is a balanced assessment made by the GLA’s Executive Director, Resources of the possible impact of any future business rates reset but ultimately this will be dependent on future government decisions, including the design of the business rates retention system in England as well as business rates income growth across London.

Compensation for the cap in the 2022-23 business rates multiplier

3.21 In the final local government settlement for 2022-23, the government provided additional funding to compensate for its decision to freeze the Business Rates multiplier between 2021-22 and 2022-23. This new funding reflected the government’s use of the RPI inflationary measure (4.9 per cent) rather than the CPI (3.1 per cent) figure, that was used to calculate the business rates multiplier cap compensation due in the provisional settlement in December. The implications of this decision are that a further £21.7 million of ongoing section 31 grant income is also estimated to be able to be applied in 2022-23 in addition to the growth in business rates described above. In respect of 2023-24, the Final Draft Budget assumes the business rates income is on the basis of a 2 per cent uplift to the baseline funding allocation received in 2022-23, subject to the application for specified purposes of the elements of the additional funding identified for 2022-23 which are assumed to be ongoing. The same methodology is applied for 2024-25. However, these assumptions for future years are for planning purposes only and therefore purely indicative estimates. It will not be possible to provide greater certainty pending confirmation by the government as to how and when they plan to implement its proposed local government finance reforms, including any business rates reset and the implementation of the fair funding reviews.

Increase in settlement funding baseline for 2022-23 and corresponding reduction to GLA tariff payment to the government

3.22 In the final local government settlement for 2022-23, which was approved by the House of Commons on 9 February, the government increased the GLA’s settlement funding baseline by £60 million to £2,284.7 million. As a result, there is an exact offsetting £60 million reduction in the planned tariff payment the GLA will be required to pay to the government from its business rates income to support local services elsewhere in England from £808.3 million to £748.3 million. The estimated combined tariff and levy payment on growth is assessed to be £793.6 million. Therefore, an additional £60m is available to be applied in the Final Draft Budget from this source.

3.23 The Mayor’s proposed allocation of this additional business rates funding, set out above, in his Final Draft Budget is set out in section 4.

Additional council tax and business rates income now available to be applied compared to Draft Budget

Additional income allocated in Final Draft Budget	2022-23 Recurring £m	2022-23 One-off £m
Uplift due to actual council tax base compared to Draft Budget assumption	8.7	
Estimated council tax Collection fund surplus for 2021-22		9.8
Additional income - council tax	8.7	9.8
Business rates growth for 2022-23	37.5	40.7
Increase in GLA’s settlement baseline funding in final settlement		60.0
Higher Government inflation uplift to compensate for lost revenue arising from the ‘freeze’ to the 2022-23 business rates’ multiplier	21.7	
Net increase in business rates income	59.2	100.7
Total additional income allocated	67.9	110.5
Total additional income allocated (Recurring + One-off)	178.4	

- 3.24 Set out overleaf is the Mayor’s proposed allocation of the additional £339.2 million (which comprises the £146.6 million additional funding highlighted in the Draft Budget; £178.4 million of additional revenue arising from the above items which have become available for application since the Draft Budget; and the £14.3m additional amount generated via the police precept increasing by £10 compared to previous assumptions).

4 Budget proposals

Proposed allocation of additional council tax and business rates income and grant income to GLA and functional bodies in 2022-23 compared to the Draft Budget

	£m
GLA: Mayor	
Funding for potential pay award (incl. Assembly provision)	0.7
Kerslake review implementation and London Housing Panel	0.6
Affordable housing	5.0
Tourism promotion	10.0
Opportunities for young people	14.0
Cost of living: advice sector support	3.7
Climate emergency	90.0
Support for environmental initiatives	1.5
Total GLA: Mayor	125.5
GLA: Assembly	
Additional income arising from final tax base reporting *	0.0
MOPAC (including MPS and VRU)	
Initiatives to tackle violence	23.2
Funding for potential pay award	24.6
Total MOPAC/Met Police	47.8
TfL	
Funding for potential pay award	6.2
Capital contribution towards Crossrail funding gap	48.5
Total TfL	54.7
LFC	
Funding for potential pay award	3.3
NI levy	2.6
Total LFC	5.9
LLDC	
Funding for potential pay award	0.2
NI levy	0.1
Total LLDC	0.3
OPDC	
Funding for potential pay award *	0.0
GLA Group	
Additional Contribution to Transport Services Reserve	105.0
Total GLA Group	105.0
TOTAL ALLOCATED	339.2

* Note figure less than £0.050m. Figures may not add due to rounding.

Mayor of London

- 4.1 The Mayor proposes to allocate a further £125.470 million to the GLA: Mayor budget from the additional resources available in the Final Draft Budget for 2022-23. This is summarised below.

Recurring items

- 4.2 In recognition of inflationary pressures facing staff, the Mayor has decided to enhance the provision for a pay award in 2022-23 generally across the Group. The GLA’s share of this is £734k in 2022-23 and in future years. This provision includes the London Assembly’s share and pending the award being agreed is being held as a GLA: Mayor reserve.
- 4.3 The Mayor has now received Lord Kerslake’s Review of GLA Group Housing Delivery, which will be published alongside a response from the Mayor that is currently being prepared. The Mayor proposes to allocate £600k per annum within the Housing & Land budget to enable the implementation of Lord Kerslake’s recommendations and also continue the work of the London Housing Panel.

Non-recurring items

- 4.4 A one-off reserve of £5m is to be created for the Housing & Land Directorate to provide revenue funding support of £4m to help councils address constraints impacting housing delivery and £1m, which councils can access to increase in-house capacity to facilitate buy back of homes previously sold via Right to Buy for affordable housing.
- 4.5 A sum of £10 million is to be allocated for the promotion of international and domestic tourism to London. This is to be allocated to Good Growth’s 2022-23 budget. Additional funding of £500k pa for three years is to be allocated to the Environment and Energy Unit in the Good Growth Directorate for the development of new initiatives in support of the Mayor’s net zero and air quality objectives.
- 4.6 £10 million extra is to be allocated to the Young People’s Collaboration Reserve, to increase the provision held in this GLA: Mayor reserve to £20 million for investment alongside partners in opportunities for young people, building on the success of the Young Londoners Fund. An additional £4 million is to be allocated for Sports Unites to maintain existing provision which would otherwise have to be curtailed from 2023-24. This sum is to be allocated to a reserve, pending profiling.
- 4.7 £3.7 million is to be allocated to Communities and Skills’ 2022-23 budget for further support to organisations providing advice on debt and financial hardship and to leverage external funding.
- 4.8 A £90m Climate Emergency Funding Reserve to be established: £4m to develop high-impact green investment opportunities for the public and private sector; and £86m to support a substantial GLA Green Bond programme, financing direct decarbonisation investment by the GLA Group and its strategic partners as part of the Mayor’s Green Financing Facility.
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London Assembly

- 4.9 The Mayor proposes to allocate a further c£19,000 to the London Assembly as its proportionate share of the ongoing increase in the council tax base. As set out above the additional provision for a 2022-23 pay award for Assembly staff is to be held centrally in the GLA: Mayor budget, pending the actual award being made.

Mayor’s Office for Policing and Crime (MOPAC)

- 4.10 The Mayor proposes to allocate funding of £23.2m on a recurring basis towards schemes tackling violence, focussing on teen homicide and protecting the victims of violence, particularly women and girls. MOPAC and the VRU will be able to 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 will concentrate on locations, some at neighbourhood and ward level, where London has seen the highest rates of teen homicide. Funding has also been allocated to the Met to tackle drug-related violence in the most high-risk London boroughs.
- 4.11 The additional funding is also intended to deliver the Mayor’s manifesto commitment of a refreshed strategy to prevent violence against women and girls (VAWG) and support its victims. It will enable essential services to be 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.
- 4.12 The allocated sum also provides funding for the Met 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 will help to ensure the public and victims in particular, get the prompt, quality service they deserve.
- 4.13 The Mayor proposes to allocate a further £24.6 million to the MOPAC component budget in line with his decision to enhance the provision for a pay award in 2022-23 generally across the Group.

Transport for London (TfL)

- 4.14 The Mayor proposes to allocate a further £54.7 million to the TfL component budget from the additional resources available in the Final Draft Budget for 2022-23. The majority of this additional funding (£48.5 million) will be allocated to meet half the additional costs arising from the best-case financial scenario for the completion of the Crossrail project, in recognition that the project is jointly sponsored by TfL and the Department for Transport. The remainder (£6.2 million) is in line with the Mayor’s decision to enhance the provision for a pay award in 2022-23 generally across the Group. This amount excludes London Underground operational staff as their pay deal is already in place for 2022-23.

London Fire Commissioner (LFC)

- 4.15 The Mayor proposes to allocate a further £6.2 million to the LFC component budget in line with his decision to enhance the provision for a pay award in 2022-23 generally across the Group.
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- 4.16 The Mayor also proposes to provide £2.6 million from the government’s one-off Services Grant 2022-23 to compensate LFC for the forthcoming 1 per cent increase in the employer’s National Insurance rate.

London Legacy Development Corporation (LLDC)

- 4.17 The Mayor proposes to allocate a further £0.2 million to the LLDC component budget in line with his decision to enhance the provision for a pay award in 2022-23 generally across the Group.
- 4.18 The Mayor also proposes to provide £0.1 million from the government’s one-off Services Grant 2022-23 to compensate LLDC for the forthcoming 1 per cent increase in the employer’s National Insurance rate.

Old Oak and Park Royal Development Corporation (OPDC)

- 4.19 The Mayor proposes to allocate a further £37k to the OPDC component budget in line with his decision to enhance the provision for a pay award in 2022-23 generally across the Group.

Group Reserves

- 4.20 An additional £105.0 million will be added to the Transport Services Reserve which will be available for future transport related spending initiatives.

The impact on local taxpayers and council tax referendum issues

- 4.21 Details of the provisions for the holding of a council tax referendum are set out in Part 3 of the Final Draft Budget documents. The council tax referendum principles for 2022-23 were published by the government on 7 February 2022 in ‘The Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23’ and were approved by the House of Commons on 9 February 2022.
- 4.22 The published excessiveness principles state that an increase of more than £31.93 in the GLA’s relevant adjusted basic amount of council tax (i.e. the total precept payable in the 32 boroughs) and/or an increase of more than £21.93 in the unadjusted basic amount (i.e. the non-police precept payable by taxpayers in the City of London) are deemed excessive for the purposes of the council tax referendum principles and would therefore require a referendum of local government electors to be held.

Determination regarding compliance with Council Tax Increase Principles

- 4.23 The Mayor has prepared this Final Draft Budget for 2022-23 on the basis of the government’s published and approved council tax referendum principles for that financial year, for consideration by the Assembly. The Mayor is required to determine whether the relevant adjusted and unadjusted basic amounts of council tax involved in his budget proposals are compliant with the approved principles. Accordingly, the Mayor makes a formal determination that his Final Draft Budget is compliant with them and that no referendum would be required to be held if this Budget is approved without amendment. Further detail is provided in Part 3 of this Report.
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Recommendations concerning the final draft consolidated council tax requirement

- 4.24 The Mayor is required to determine consolidated and component council tax requirements for 2022-23 and it is these that the Assembly has the power to amend. The individual Mayor, Assembly and functional body council tax requirements are aggregated to form the consolidated council tax requirement for the GLA Group. This requirement forms the GLA Group precept which is part of the council tax bill for households across Greater London collected by the 33 billing authorities (the 32 London boroughs and City of London Corporation).
- 4.25 In considering the Mayor's Budget proposals and any amendments they wish to make at this stage, Assembly Members must also consider the need to secure a financially balanced budget and achieve a balance between the statutory and discretionary responsibilities for the provision of services and the burden upon those required to finance the net cost. Attention is drawn to the advice of the statutory Chief Finance Officers of TfL and the GLA in Part 3 concerning the basis on which balanced budgets and council tax levels are proposed.
- 4.26 In commending the budget proposals to the Assembly, the Mayor believes that Londoners recognise and support his plans to increase the police and non-police precepts to the maximum possible amounts without triggering a referendum in order to provide additional resources to support frontline policing, transport and fire and rescue services.
- 4.27 The Mayor is satisfied that he has weighed respective interests fairly and that his increase in the council tax will help the front-line service delivery of his statutory and discretionary responsibilities. The Mayor believes that the proposals will make a significant contribution to improving Londoners' quality of life and supporting London's economy.
- 4.28 On the basis of the information set out in this statement and accompanying documents, it is recommended that the Assembly approves, without amendment, the Mayor's Final Draft Consolidated Budget and the consolidated council tax requirement for the GLA and the functional bodies (GLA Group) of **£1,213,569,920.04** as contained in Annex A.
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4.29 The Mayor’s final draft consolidated council tax requirement is made up as follows:

Constituent body	Component council tax requirement
Mayor of London	£128,168,009.95
London Assembly	£2,674,008.84
Mayor’s Office for Policing and Crime	£849,474,417.45
London Fire Commissioner	£180,726,114.74
Transport for London	£52,527,369.06
London Legacy Development Corporation	£0.00 (NIL)
Old Oak and Park Royal Development Corporation	£0.00 (NIL)
Total consolidated council tax requirement	£1,213,569,920.04

Annex A

Final draft consolidated component and consolidated council tax requirements 2022-23

Greater London Authority: Mayor of London (“Mayor”) final draft component budget

Line	Sum	Description
1	£1,711,848,107	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
2	£1,000,000	estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act
3	£0.00	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act
4	£116,746,598	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the GLA Act reflecting the collection fund deficit for retained business rates
5	£1,829,594,705	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Mayor (lines (1) + (2) + (3) + (4) above)
6	-£247,857,238	estimate of the Mayor’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
7	-£370,462,763	estimate of the Mayor’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
8	-£28,400,000	estimate of the Mayor’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
9	-£1,044,194,285	estimate of the Mayor’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
10	-£9,800,000	estimate of the Mayor’s share of any net collection fund surplus for the 33 London billing authorities for council tax calculated in accordance with s85(5)(a) of the GLA Act
11	-£1,700,714,285	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (6) + (7) + (8) + (9) + (10))
12	-£712,410	estimate of Mayor’s reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act
13	-£1,701,426,695	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Mayor (lines (11) + (12) above)
14	£128,168,009.95	the component council tax requirement for the Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (13) above calculated in accordance with section 85(6) of the GLA Act)

**The final draft component council tax requirement for the Mayor for 2022-23 is
£128,168,009.95**

Greater London Authority: London Assembly (“Assembly”) final draft component budget

Line	Sum	Description
15	£8,019,148	estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the GLA Act
16	£0	estimated allowance for contingencies for the Assembly under s85(4)(b) of the GLA Act
17	£0	estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the GLA Act
18	£24,584	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the GLA Act
19	£8,043,732	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Assembly (lines (15) + (16) + (17) + (18) above)
20	£0	estimate of the Assembly’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
21	£0	estimate of the Assembly’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
22	£0	estimate of the Assembly’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
23	-£5,072,000	estimate of the Assembly’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
24	£0	estimate of the Assembly’s share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
25	-£5,072,000	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (line (20) + (21) + (22) + (23) + (24))
26	-£297,723	estimate of Assembly’s reserves to be used in meeting amounts in lines 19 above under s85(5)(b) of the GLA Act
27	-£5,369,723	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Assembly (lines (25) + (26) above)
28	£2,674,008.84	the component council tax requirement for the Assembly (being the amount by which the aggregate at (19) above exceeds the aggregate at (27) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the Assembly for 2022-23 is £2,674,008.84

Mayor’s Office for Policing and Crime (“MOPAC”) final draft component budget

Line	Sum	Description
29	£4,269,168,000	estimated expenditure of the MOPAC calculated in accordance with s85(4)(a) of the GLA Act
30	£0	estimated allowance for contingencies for the MOPAC under s85(4)(b) of the GLA Act
31	£0	estimated reserves to be raised for meeting future expenditure of the MOPAC under s85(4)(c) of the GLA Act
32	£7,207,281	estimate of reserves to meet a revenue account deficit of the MOPAC under s85(4)(d) of the GLA Act
33	£4,276,375,281	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the MOPAC (lines (29) + (30) +(31) + (32) above)
34	-£303,359,000	estimate of the MOPAC’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
35	-£655,700,000	estimate of the MOPAC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£2,278,400,000	estimate of the MOPAC’s income in respect of general government grants (revenue support grant, core Home Office police grant and principal police formula grant) calculated in accordance with s85(5)(a) of the GLA Act
37	-£65,392,779	estimate of the MOPAC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
38	£0	estimate of MOPAC’s share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
39	-£3,302,851,779	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (34) + (35) + (36) + (37) +(38))
40	-£124,049,084	estimate of MOPAC’s reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act
41	-£3,426,900,863	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the MOPAC (lines (39) + (40) above)
42	£849,474,417.45	the component council tax requirement for MOPAC (being the amount by which the aggregate at (33) above exceeds the aggregate at (41) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the MOPAC for 2022-23 is £849,474,417.45

London Fire Commissioner (“LFC”) final draft component budget

Line	Sum	Description
43	£508,600,000	estimated expenditure of LFC for the year calculated in accordance with s85(4)(a) of the GLA Act
44	£0	estimated allowance for contingencies for LFC under s85(4)(b) of the GLA Act
45	£0	estimated reserves to be raised for meeting future expenditure of LFC under s85(4)(c) of the GLA Act
46	£1,580,211	estimate of reserves to meet a revenue account deficit of LFC under s85(4)(d) of the GLA Act
47	£510,180,211	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFC (lines (43) + (44) + (45) + (46) above)
48	-£44,200,000	estimate of LFC’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
49	-£36,500,000	estimate of LFC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
50	£0	estimate of LFC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
51	-£242,654,096	estimate of LFC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
52	£0	estimate of LFC’s share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
53	-£323,354,096	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (48) + (49) + (50) + (51) + (52))
54	-£6,100,000	estimate of LFC’s reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act
55	-£329,454,096	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFC (lines (53) + (54) above)
56	£180,726,114.74	the component council tax requirement for LFC (being the amount by which the aggregate at (47) above exceeds the aggregate at (55) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for LFC for 2022-23 is £180,726,114.74

Transport for London (“TfL”) final draft component budget

Line	Sum	Description
57	£8,266,089,000	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the GLA Act
58	£0	estimated allowance for contingencies for TfL under s85(4)(b) of the GLA Act
59	£0	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the GLA Act
60	£56,000	estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act
61	£8,266,145,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the TfL (lines (57) + (58) + (59) + (60) above)
62	-£6,168,452,631	estimate of TfL’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
63	-£8,073,000	estimate of TfL’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
64	-£1,241,500,000	estimate of TfL’s income in respect of general government grants (revenue support grant and GLA Transport General Grant) calculated in accordance with s85(5)(a) of the GLA Act
65	-£946,192,000	estimate of TfL’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
66	£0	estimate of TfL’s share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
67	-£8,364,217,631	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act for TfL (lines (62) + (63) + (64) + (65) + (66) above)
68	£150,600,000	estimate of TfL’s reserves to be used in meeting amounts in line 61 above under s85(5) (b) of the GLA Act
69	-£8,213,617,631	aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68))
70	£52,527,369.06	the component council tax requirement for TfL (being the amount by which the aggregate at (61) above exceeds the aggregate at (69) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for TfL for 2022-23 is £52,527,369.06

London Legacy Development Corporation (“LLDC”) final draft component budget

Line	Sum	Description
71	£62,000,000	estimated expenditure of LLDC for the year calculated in accordance with s85(4)(a) of the GLA Act
72	£0	estimated allowance for contingencies for LLDC under s85(4)(b) of the GLA Act
73	£0	estimated reserves to be raised for meeting future expenditure of LLDC under s85(4)(c) of the GLA Act
74	£0	estimate of reserves to meet a revenue account deficit of LLDC under s85(4)(d) of the GLA Act
75	£62,000,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LLDC (lines (71) + (72) + (73) + (74) above)
76	-£32,600,000	estimate of LLDC’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
77	£0	estimate of LLDC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
78	-£100,000	estimate of LLDC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
79	-£29,300,000	estimate of LLDC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
80	£0	estimate of LLDC’s share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
81	-£62,000,000	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (76) + (77) + (78) + (79) + (80))
82	£0	estimate of LLDC’s reserves to be used in meeting amounts in line 75 above under s85(5)(b) of the GLA Act
83	-£62,000,000	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (81) + (82) above)
84	£0.00	the component council tax requirement for LLDC (being the amount by which the aggregate at (75) above exceeds the aggregate at (83) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the LLDC for 2022-23 is £0 (£NIL)

Old Oak and Park Royal Development Corporation (“OPDC”) final draft component budget

Line	Sum	Description
85	£7,500,000	estimated expenditure of OPDC for the year calculated in accordance with s85(4)(a) of the GLA Act
86	£0	estimated allowance for contingencies for OPDC under s85(4)(b) of the GLA Act
87	£0	estimated reserves to be raised for meeting future expenditure of OPDC under s85(4)(c) of the GLA Act
88	£0	estimate of reserves to meet a revenue account deficit of OPDC under s85(4)(d) of the GLA Act
89	£7,500,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for OPDC (lines (85) + (86) + (87) + (88) above)
90	-£747,113	estimate of OPDC’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
91	£0	estimate of OPDC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
92	£0	estimate of OPDC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
93	-£6,752,887	estimate of OPDC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
94	£0	estimate of OPDC’s share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
95	-£7,500,000	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (90) + (91) + (92) + (93) + (94))
96	£0	estimate of OPDC’s reserves to be used in meeting amounts in line 89 above under s85(5)(b) of the GLA Act
97	-£7,500,000	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for OPDC (lines (95) + (96) above)
98	£0.00	the component council tax requirement for OPDC (being the amount by which the aggregate at (89) above exceeds the aggregate at (97) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the OPDC for 2022-23 is £0 (£NIL)

Greater London Authority (“GLA”) final draft consolidated council tax requirement calculation incorporating the component council tax requirements for the Greater London Authority (Mayor), Greater London Authority (Assembly), the Mayor’s Office for Policing and Crime (MOPAC), 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).

Line	Sum	Description
99	£1,213,569,920.04	the GLA’s consolidated council tax requirement (the sum of the amounts in lines (14) + (28) + (42) + (56) +(70) +(84) + (98) calculated in accordance with section 85(8) of the GLA Act)

**The final draft consolidated council tax requirement for the GLA for 2022-23 is
£1,213,569,920.04**

Aggregate GLA Group budget for 2022-23

Estimated Expenditure

£	GLA Mayor	GLA Assembly	MOPAC	LFC	TfL	LLDC	OPDC	Total
Estimated expenditure	£1,711,848,107	£8,019,148	£4,269,168,000	£508,600,000	£8,266,089,000	£62,000,000	£7,500,000	£14,833,224,255
Estimated allowance for contingencies	£1,000,000	£0	£0	£0	£0	£0	£0	£1,000,000
Estimated reserves to be raised for meeting future expenditure	£0	£0	£0	£0	£0	£0	£0	£0
Estimate of reserves to meet a revenue account deficit including forecast collection fund deficit for retained business rates	£116,746,598	£24,584	£7,207,281	£1,580,211	£56,000	£0	£0	£125,614,673
Estimated total expenditure	£1,829,594,705	£8,043,732	£4,276,375,281	£510,180,211	£8,266,145,000	£62,000,000	£7,500,000	£14,959,838,928

Estimated Income and Calculation of Council Tax Requirement

£	GLA Mayor	GLA Assembly	MOPAC	LFC	TfL	LLDC	OPDC	Total
Estimate of non-government grant income	-£247,857,238	£0	-£303,359,000	-£44,200,000	-£6,168,452,631	-£32,600,000	-£747,113	-£6,797,215,982
Estimate of specific government grant income	-£370,462,763	£0	-£655,700,000	-£36,500,000	-£8,073,000	£0	£0	-£1,070,735,763
Estimate of general government grant income	-£28,400,000	£0	-£2,278,400,000	£0	-£1,241,500,000	-£100,000	£0	-£3,548,400,000
Estimate of Retained Business Rates income	-£1,044,194,285	-£5,072,000	-£65,392,779	-£242,654,096	-£946,192,000	-£29,300,000	-£6,752,887	-£2,339,558,047
Collection fund surplus for council tax	-£9,800,000	£0	£0	£0	£0	£0	£0	-£9,800,000
Estimated total income before use of reserves	-£1,700,714,285	-£5,072,000	-£3,302,851,779	-£323,354,096	-£8,364,217,631	-£62,000,000	-£7,500,000	-£13,765,709,791
Estimate of reserves to be used	-£712,410	-£297,723	-£124,049,084	-£6,100,000	£150,600,000	£0	£0	£19,440,783
Estimated total income after use of reserves	-£1,701,426,695	-£5,369,723	-£3,426,900,863	-£329,454,096	-£8,213,617,631	-£62,000,000	-£7,500,000	-£13,746,269,008
Council tax requirement	£128,168,009.95	£2,674,008.84	£849,474,417.45	£180,726,114.74	£52,527,369.06	£0.00	£0.00	£1,213,569,920.04
COUNCIL TAXBASE	3,073,573	3,073,573	3,065,256	3,073,573	3,073,573	3,073,573	3,073,573	
BAND D COUNCIL TAX	£41.70	£0.87	£277.13	£58.80	£17.09	£0.00	£0.00	£395.59

Annex B

Mayor of London’s written statement of his reasons for preparing a Final Draft Consolidated Budget which is not the same as the Draft Consolidated Budget as amended by the London Assembly as required by paragraph 6 (5) of Schedule 6 of the Greater London Authority Act 1999.

1 Building Safety Support Hub

- 1.1 The amendment utilised £120,000 from the Business Rates Reserve to create, within the GLA: Mayor budget, a Building Safety Support Hub.
 - 1.2 The Mayor has not accepted the Assembly’s proposed changes to the Draft Consolidated Budget. The reasons are set out below.
 - 1.3 The impact that the building safety crisis is having on leaseholders’ mental health and wellbeing is of serious concern. The Mayor has consistently been lobbying government in support of leaseholders maintaining they should not have to pay to resolve building safety issues they played no part in causing. The Mayor is committed to working closely with government, GLA partners and the wider industry to find long-term and meaningful solutions that will finally bring this difficult chapter to a close.
 - 1.4 Although the Mayor welcomes the intent behind the proposal, the figures outlined underestimate the resource that would be required to effectively run a building safety support hub. It does not account for staffing resources necessary for implementing and overseeing the hub. The proposal to allocate only £40,000 for the provision of specialist mental health support is viewed to likely fall far short of the total required to adequately address the scale of likely demand for such a service. The risks of agreeing to this proposal with limited funding and resource are high and would ultimately lead to disappointing leaseholders who have already been through so much.
 - 1.5 The Mayor is grateful for the authors of the amendment pointing out the practical advice and support given by the European Londoners hub. The European Londoners hub provides step by step guidance using established immigration law and procedures. The difficulties faced by some leaseholders unfortunately do not have adequate solutions at this stage. Until the government makes available and confirms the details of a comprehensive funding solution to the building safety crisis, for some there are simply no satisfactory routes to absolve leaseholders of all bills, until further action is taken.
 - 1.6 The Mayor is aware that there are various organisations offering support to leaseholders, including the government-funded independent advice service LEASE. As many leaseholders feel the current service offered by LEASE falls far short of what is needed, the Mayor has repeatedly called for the Government to review the role and remit of LEASE as a much needed resource for leaseholders affected by the building safety crisis.
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- 1.7 It is clear that leaseholders do need more support, but the Greater London Authority is not the right organisation to provide the specialist advice or mental health support leaseholders need. The building safety crisis is a national one and requires a national solution and a national support service.
 - 1.8 The Mayor has been a strong ally of leaseholders and further to this proposed budget amendment will commit to continuing his lobbying of government on their behalf. It is clear that leaseholders around the country need more support and not only Londoners should benefit from this type of support service.
 - 1.9 The Mayor’s Homes for Londoners Board has created an EWS1 Task and Finish Group. The group’s best practice guidance, to be published shortly, will seek to improve leaseholders’ experience, especially but not limited to the EWS1 process.
 - 1.10 The Mayor will ask officers to review the content of the GLA website for the building safety programmes to ensure it is comprehensive, up to date, and gives applicants all information required. He will also ask officers to engage with cladding and leaseholder groups to explore what further information, guidance and signposting could be added to the website to support residents affected by the cladding crisis.

2 Resident Empowerment Reserve Fund

- 2.1 The amendment utilised £500,000 from the Business Rates Reserve to create, within the GLA Mayor budget, a Resident Empowerment Reserve Fund.
 - 2.2 The Mayor has not accepted the Assembly’s proposed changes to the Draft Consolidated Budget. The reasons are set out below.
 - 2.3 The London Assembly motion seeks the Mayor to create a £500,000 fund to support residents to commission expert analysis, advice and advocacy support, in the context of the Mayor’s resident ballot requirement and ‘residents seeking to oppose or propose changes to major development plans under the remit of the Mayor’s planning powers’.
 - 2.4 One of the Mayor’s top priorities is to ensure the delivery of high-quality new homes, and in particular social and other genuinely affordable homes, within inclusive neighbourhoods. This is planned for in the London Plan and in London’s statutory Housing Strategy. Estate regeneration is a key component of delivering on this, and also aligns with the Mayor’s commitment to a resurgence in council housing delivery.
 - 2.5 The Mayor is committed to ensuring that existing residents have a definitive say where major development proposals propose demolition of homes on their estates. The resident ballot requirement is a condition of GLA funding and means a majority of residents can veto proposals. The ballot requirement already incentivises landlords to work closely with residents over a significant period of time to ensure that development proposals, and an associated landlord offer, have the support of a majority of residents in the ballot.
 - 2.6 The Mayor does not recognise the amendment’s characterisation of estate residents being frequently left unaware or having little confidence in processes of communication. Most ballots conducted so far have had high turnouts, which is itself a vote of confidence in the ballot process. Estate residents may choose to reject proposals through voting or
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- abstention if they are not confident, for any reason, that the proposals they have been offered are right for them or their community.
- 2.7 The Mayor agrees that residents should be well-informed before making their decision. To that end, the Mayor’s Good Practice Guide to Estate Regeneration already requires the appointment of Independent Tenant and Leasehold Advisors (ITLAs), paid for by landlords, to advise and support residents of estates where regeneration is proposed.
- 2.8 Residents must be confident that the proposal they are voting on is one that is viable and can be delivered, should a majority vote to approve the plans. This ultimately means that a ballot must be called by the social landlord and run by an independent body. However, the Mayor’s Good Practice Guide to Estate Regeneration is clear that residents should be involved and engaged throughout the process of scheme design. A ballot is a milestone in the regeneration progress, not the beginning of it, and any landlord that does not engage fully with residents on scheme design is unlikely to receive a positive result in the ballot.
- 2.9 Early in the current Mayoral term, the Mayor’s housing team reviewed the first three years of the ballot policy and published further guidance to ensure implementation met the highest standards of integrity and transparency. The GLA will remain alert to any concerns that ballot processes are not robust and independent.
- 2.10 The Mayor has not sought to give residents in broader proximity to development plans, and in particular those who do not face proposals to demolish their existing homes, the same power of veto. The GLA’s position is that the planning process already provides adequate scrutiny of competing interests. Planning inherently involves decision-makers considering the interests of existing residents alongside the interests of future residents – and local communities alongside London’s wider unmet housing needs. Planning authorities, including GLA colleagues, do not report that they would benefit from publicly commissioned technical advice. This capacity already exists within the sector and greater technical support at planning application stage is not an effective use of funding if the proposal is provided for within the development plan. In England’s plan-led system, resources for public consultation and engagement are better focused at plan-making stage. Neighbourhood planning, particularly neighbourhood and local development orders, are relevant existing statutory tools to aid communities in shaping the places where they live. Local plans are a statutory requirement, and the government has set a deadline of 2023 for all areas to have an up-to-date plan in place.
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