

---

## **Dear Croydon resident,**

I am writing to update you about our council budget for the coming financial year and some of the measures we have taken to maintain frontline services and support some of Croydon's most vulnerable residents.

### **Covid-19 crisis**

The past year has been unlike any other, and my thoughts remain with the many people in our borough whose personal lives and livelihoods have been, and will continue to be, affected by the impact of the pandemic.

Since last March the council has needed to make essential extra spending to support vulnerable residents while at the same time suffering a significant loss of income as a direct result of the crisis.

Like their colleagues nationwide, our council staff have been some of the unsung heroes, from delivering local Covid-19 testing, to increased support for our care homes, delivering thousands of food parcels, extending our domestic violence services to seven days a week and distributing millions in support grants to Croydon businesses.

### **Capitalisation direction**

You may be aware that Croydon has also faced some serious financial challenges. Since I became leader in October I pledged to act swiftly to make necessary changes and put the council on a strong, financially sustainable footing for the future.

This has resulted in a three-year renewal improvement plan to strengthen how the council is run, find further savings and prioritise spending around our residents' needs.

The plan was the backbone of our recent successful request to government for a capitalisation direction – a loan which will allow us to change the way we manage and improve finances. It means we have now set and will deliver a balanced budget and shows the government has confidence in the renewal work we are delivering at pace.

### **Croydon's budget 2021-22**

Our budget this coming year gives priority to supporting families facing difficulties, keeping the borough's streets clean and safe, tackling inequality and addressing the demands of tackling the Covid-19 crisis, which has already cost the council over £46m.

But, as with local authorities across the country, significant challenges remain after a decade in which our central government funding has reduced by three quarters - putting significant pressures on frontline services like social care and temporary housing. Our government funding is now simply not enough to meet the rising needs of our residents, which means that to maintain core services we have to raise our council tax.

---

At the 8 March budget meeting, and as government is expecting all councils to do, the council agreed a council tax increase of 1.99% for council services and a 3% rise which can only be used to care for our older and most vulnerable residents.

Along with the Mayor of London's police and public transport levy, Croydon residents will pay an extra 5.83%, or £2 more per week for the average Band D household.

### **Supporting our communities**

We did not take this decision to raise council tax lightly, but it means we can protect core council services and withstand the demands of our Covid-19 response.

We know many local residents have been hit hard by the pandemic, which is why our Council Tax Support Scheme will continue to help over 30,000 Croydon households.

Your council tax makes a big contribution to our ability to fund key local services, and we are determined that we deliver this council budget and live within our means.

And I promise you that we will continue to focus on delivering good-quality, frontline services to local people, especially those who need it most.

Yours faithfully,



**Councillor Hamida Ali**  
*Leader, Croydon Council*

For more information about your council tax bill and the council's budget go to

**[www.croydon.gov.uk/ctax](http://www.croydon.gov.uk/ctax)**

# THE COUNCIL'S FINANCES

How we calculate the council tax requirement for Croydon services.

	<b>Total £'000</b>
Budget Requirement	279,419
<b>Paid For by :</b>	
<b>Revenue Support Grant</b>	14,205
Collection Fund deficit	-4,554
Business Rates Top up grant	34,192
Business Rates Income	37,482
Council Tax Requirement for Croydon Services	198,094
Greater London Authority (GLA)	47,254
Total Council Tax	245,348
2020/21	236,802
Change £	8,546

	<b>Individual Element Increased</b>	<b>Overall Impact on Council Tax</b>	<b>Per Annum £</b>	<b>Per Week £</b>
Croydon Services	1.99%	1.99%	28.90	0.55
Social Care Levy	3.00%	3.00%	43.56	0.84
GLA Services	9.50%	9.50%	31.59	0.61
		5.83%	104.05	2.00

<b>Band</b>	<b>Proportion of Band D</b>	<b>Croydon Services £</b>	<b>Adult Social Care Precept £</b>	<b>GLA</b>	<b>Total £</b>
A	6/9	902.68	113.65	242.44	1,258.77
B	7/9	1,053.13	132.59	282.85	1,468.57
C	8/9	1,203.57	151.53	323.25	1,678.35
D	1	1,354.02	170.47	363.66	1,888.15
E	11/9	1,654.91	208.35	444.47	2,307.73
F	13/9	1,955.81	246.23	525.29	2,727.33
G	15/9	2,256.70	284.12	606.10	3,146.92
H	18/9	2,708.04	340.94	727.32	3,776.30

# SUMMARY OF COUNCIL SPENDING

The table below compares the gross and net cost of providing your services in 2021/22 with 2020/21.

Revenue spending refers to the day to day running costs of the authority:

SERVICE	2020/21	2021/22		
	net £'000	Spending £'000	Income £'000	net £'000
Children, Families and Education	105,683	20,433	-9,715	116,401
Health, Wellbeing and Adults	135,538	29,251	-17,494	147,295
Place	64,391	10,102	-12,945	61,548
Resources	13,461	14,053	-4,982	22,532
<b>Net cost of Services</b>	<b>319,073</b>			<b>347,776</b>
Contribution to provisions for Doubtful Debts	900			1,000
Corporate Held Service Budgets	-			8,494
Other Corporate Items	-5,674			-4,076
Core Grants	-36,228			-35,941
Levies from other bodies	1,504			1,534
Interest Receivable	-19,818			-8,155
Interest Payable	31,431			31,355
Contingency / Unallocated Provision	5,252			7,652
<b>Net Operating Expense</b>	<b>296,440</b>			<b>349,638</b>
<b>Appropriations</b>				
Contributions to / (from) earmarked reserves	-			-7,000
Provision for repayment of external loans	9,847			10,796
Capital Charges	-34,015			-34,015
Contributions to / (from) general balances reserves	5,000			10,000
Capitalisation Direction	3,806			-50,000
<b>Budget Requirement</b>	<b>277,272</b>			<b>279,419</b>

# EXPLANATORY NOTES

## What is council tax?

Council tax is a property tax charged to the occupiers (or in some cases the owners) of domestic properties such as houses, flats, caravans, etc.

We collect the tax and retain some of the money to pay for the services we provide. Part of the money is collected by the council on behalf of the Greater London Authority (GLA) and is used to pay for the services provided by that authority. The amount of money you pay towards the GLA is shown separately on your bill.

The amount you pay is calculated according to the banding of your property which is based on the market value of your home on 1 April 1991. There are eight bands, labelled 'A' to 'H'. Band A is the lowest and Band H the highest. The bands are determined by the Valuation Office Agency (VOA) which are contained in a valuation list. You can look at the valuation list on the VOA website [www.voa.gov.uk](http://www.voa.gov.uk)

## Payment of council tax

For information on how to pay your council tax please read the reverse of your bill. If you are struggling to pay you may be entitled to council tax support. For more information and details of how to apply, please go to page 9 and follow the links.

## Discounts

If only one adult resides in the property a discount of 25% can be awarded. If you would like to apply for this, please visit [www.croydon.gov.uk/doitonline](http://www.croydon.gov.uk/doitonline) and click on Apply for it.

If two or more adults reside in the property but one or more adult should be disregarded for council tax purposes (see below list) so that, in effect, there is only one adult in the property, a discount of 25% can be awarded.

If the property is occupied but all the residents are not counted as adult residents, either a full exemption or 50% discount will apply (unless the property is exempt).

## The following people will not be counted as adult residents:

- People who are in prison or detention (except for non-payment of local tax or fines)
- Some school and college leavers
- Full-time students, student nurses, apprentices and youth training trainees
- Persons receiving care in a registered care home
- Residents of hostels
- Members of religious communities
- Non-British spouses of students
- People who are 'severely mentally impaired'
- 18- and 19-year-olds for whom child benefit is paid
- Long-term hospital patients
- Care workers
- Carers (unpaid carers subject to certain conditions)
- Members and dependants of international headquarters and defence organisations
- Members and dependants of visiting forces
- Persons with diplomatic privilege or immunity.

# EXPLANATORY NOTES

## Exemptions

Some properties are exempt from council tax. A list is provided below:

- Unoccupied owned by a charity (maximum period six months) (B)
- Left unoccupied by a prisoner (D)
- Residents in care home/hospital (E)
- Property forms part of a deceased estate, pending probate (F)
- Property forms part of a deceased estate, once probate granted (maximum period six months) (F2)
- Occupation prohibited by law (G)
- Property held for a minister of religion (H)
- Left unoccupied by a person living elsewhere to receive/provide care (I, J)
- Left empty by a student (K)
- Property in possession of a mortgage lender (L)
- Student halls of residence (M)
- Occupied only by students (N)
- UK armed forces accommodation (O)
- Visiting forces (P)
- Empty property in hands of a trustee in bankruptcy (Q)
- Unoccupied caravan pitch or boat mooring (R)
- Occupied only by under 18-year-olds (S)
- Unoccupied annex to an occupied dwelling (T)
- Occupied wholly by people who are 'severely mentally impaired' (U)
- Main residence of a person with diplomatic privilege or immunity (V)
- Occupied annex to an occupied dwelling (W)

*If you think you are entitled to a discount or exemption and this is not already showing on your bill, [www.croydon.gov.uk/advice/counciltax/reductions](https://www.croydon.gov.uk/advice/counciltax/reductions) to confirm if you are eligible and how to apply for one of these discounts or exemptions.*

## Empty properties

From 1 April 2019, the long term empty property premium changed. An additional charge of 100% council tax was applied to properties that had been empty for at least two years. From 1 April 2020, an additional charge of 200% was applied to properties that had been empty for more than 5 years. From 1 April 2021, an additional charge of 300% will be applied for properties that have been empty for more than 10 years. The premium is charged in addition to the existing council tax charge of 100% and these properties will therefore pay 400% council tax. This is in order to reduce housing pressure within the area by bringing empty properties back into use. For further information please visit our website <https://new.croydon.gov.uk/council-tax/empty-homes-second-homes>

For help and advice on preparing your property for sale or to let, please visit our website <https://new.croydon.gov.uk/housing/empty-properties>

## People with disabilities

If you or someone living with you needs a room/extra bathroom/kitchen to meet special needs arising from disability, or needs sufficient space to use a wheelchair indoors, then you may be entitled to a reduced council tax bill. To apply for this, please contact us with details of the adaptations made and an appointment will be made for a visiting officer to attend your property to confirm eligibility.

# EXPLANATORY NOTES

## Council tax appeals

### Banding appeals

Appeals regarding council tax banding should be made with the Valuation Office Agency who can be contacted via [www.gov.uk/contact-voa](http://www.gov.uk/contact-voa) or telephone: **03000 501 501**.

### Other appeals

Appeals concerning liability, discounts, exemptions or disabled relief should be made in writing to the Interim Director of Finance and S151 Officer, Resources Department, Croydon Council, Bernard Weatherill House, 8 Mint Walk, Croydon CR0 1EA. The council has up to two months to respond to your appeal. If you are unhappy with the reply, or no reply has been received within two months of your appeal to us, you can progress your appeal to The Valuation Tribunal for England 2nd Floor, 120 Leaman Street, London E1 8EU.

## Contacting the council



Visit our website log on to [www.croydon.gov.uk/contact](http://www.croydon.gov.uk/contact) and click on 'Contact the council'



Email us at [croyctax@croydon.gov.uk](mailto:croyctax@croydon.gov.uk)



Telephone **020 8726 7000 Option 1**  
Monday - Friday 9.00am - 4.00pm



Resources Department, Finance Investment and Risk, 5th Floor,  
Bernard Weatherill House, 8 Mint Walk, Croydon, CR0 1EA



Minicom **020 8760 5797**

Visit Access Croydon, Bernard Weatherill House, Croydon.  
We are open from 9am to 4pm Monday to Friday.

# FINDING IT HARD TO PAY YOUR COUNCIL TAX OR RENT?

## You could be eligible for council tax support or universal credit

Based on the information you provide, our benefit calculator can help assess whether you are entitled to council tax support and, if so, give you an idea of how much. You can find our benefit calculator at [www.croydon.gov.uk/advice/benefits/claim](http://www.croydon.gov.uk/advice/benefits/claim).

If you need help paying your rent, universal credit has replaced housing benefit for most working age people. You can apply for universal credit online [www.gov.uk/apply-universal-credit](http://www.gov.uk/apply-universal-credit)

Housing benefit is still available if you are of pension age, living in temporary or support exempt accommodation, or are in receipt of a severe disability premium. For more information and to make an application please visit our website [www.croydon.gov.uk/advice/benefits/claim](http://www.croydon.gov.uk/advice/benefits/claim)

## Do your circumstances mean you can get help?

Below is a table looking at customers with different circumstances and the amount of help they are receiving with their council tax.

	Monthly income	Monthly council tax	Money given towards their council tax
Mr and Mrs M live in a council house with their three children and Mr M is working	£1,280.58	£132.16	£112.49
Ms W is a single parent living in a housing association house with her daughter over five and is working	£883.74	£99.12	£84.38
Ms H is renting a flat on her own and working in a nursing home	£715	£86.73	£7.97
Ms A is a self-employed hairdresser living in a privately rented two bedroom house with her son	£971.84	£86.73	£73.72
Mr V is currently off sick from work and getting income support	Income support	£99.12	£99.12
Mr & Mrs L are pensioners living in a house that they own	£1,193.36	£148.68	£148.68

This information is for guidance only and is intended to give an estimate. It does not include any details of universal credit entitlements. For actual entitlements, you will need to complete an application.



# EXPLANATORY NOTES

## NATIONAL NON-DOMESTIC RATES EXPLANATORY NOTES 2021-2022

### Non-domestic rates

Non-domestic rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1 April 2013, authorities keep a proportion of the business rates paid locally. The money, together with revenue from council taxpayers, locally generated income and grants from central government, is used to pay for the services provided by local authorities in your area. Further information about the business rates system may be obtained at: <https://www.gov.uk/introduction-to-business-rates> and at the website of your local council which is normally shown on your rate bill.

### Rateable Value

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They compile and maintain a full list of all rateable values, available at [www.gov.uk/voa](http://www.gov.uk/voa)

The rateable value of your property is shown on the front of your bill. This broadly represents the yearly rent the property could have been let for on the open market, on a particular date specified in legislation. For the current rating list, the revaluation came into effect on 1 April 2017, this date was set as 1 April 2015.

The Valuation Office Agency may alter the valuation if circumstances change. The ratepayer (and certain others who have an interest in the property) can also check and challenge the valuation shown in the list if they believe it is

wrong. Further information about the grounds on which challenges may be made and the process for doing so can be found on the VOA website: [www.gov.uk/government/collections/check-and-challenge-step-by-step](http://www.gov.uk/government/collections/check-and-challenge-step-by-step)

Your billing authority can only backdate any business rates rebate to the date from which any change to the list is to have effect.

### National non-domestic rating multiplier

The local authority works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers: the national non-domestic rating multiplier and the small business non-domestic rating multiplier. The government sets the multipliers for each financial year, except in the City of London where special arrangements apply.

The current multipliers are shown on the front of your bill.

### Business rates instalments

Government has put in place regulations that will allow businesses to require their local authority to enable payments to be made through 12 monthly instalments. If you wish to take up this offer, you should contact the local authority as soon as possible.

### Revaluation 2017 and transitional arrangements

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1 April 2017. Revaluations ensure that business rates bills are up-to-date, more accurately reflect current rental values and relative changes in rents. Frequent revaluations ensure the system continues to be responsive to changing economic conditions.

# EXPLANATORY NOTES

At a revaluation some ratepayers will see reductions or no change in their bill, whereas some ratepayers will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. This relief has been funded by limiting the reduction in bills for those who have benefitted from the revaluation. Transitional relief is applied automatically to bills. Further information about transitional arrangements and other reliefs may be obtained from the local authority or the website [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates)

## Revaluation 2023

The next revaluation of business rates is under way in England and Wales – Revaluation 2023.

Providing your rental information ensures the business rates you pay are accurate.

If you receive a request for rent, lease and ownership details from the Valuation Office Agency you should go online and complete the form.

It takes less than 30 minutes to ensure your business rates are accurate.

More information on Revaluation 2023 can be found at:

[www.gov.uk/government/news/providing-rental-information-for-revaluation-2023](http://www.gov.uk/government/news/providing-rental-information-for-revaluation-2023)

## Unoccupied property rating

Business rates will not be payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties. After this period rates are payable in full unless the unoccupied property rate has been reduced by the government by order. In most cases the unoccupied property rate is zero for properties owned by charities and community

amateur sports clubs. In addition, there are a number of exemptions from the unoccupied property rate. Full details on exemptions can be obtained from your local authority. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of your bill.

## Partly occupied property relief

A ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, the local authority has discretion in certain cases to award relief in respect of the unoccupied part. Full details can be obtained from the local authority.

## Small business rate relief

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are not entitled to other mandatory relief or are liable for unoccupied property rates) will have their bill calculated using the lower small business non-domestic rating multiplier, rather than the national non-domestic rating multiplier.

In addition, generally, if the sole or main property is shown on the rating list with a rateable value which does not exceed £15,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 100%. For a property with a rateable value of not more than £12,000, the ratepayer will receive a 100% reduction in their rates bill.

Generally, this percentage reduction (relief) is only available to ratepayers who occupy either-

(a) one property, or

# EXPLANATORY NOTES

(b) one main property and other additional properties providing those additional properties each have a rateable value which does not exceed £2,899.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all the properties mentioned in (b), must not exceed £19,999 outside London or £27,999 in London on each day for which relief is being sought. If the rateable value, or aggregate rateable value, increases above those levels, relief will cease from the day of the increase.

The government has introduced additional support to small businesses. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, the government has confirmed that they will be allowed to keep that relief for a period of 12 months. Where a ratepayer meets the eligibility criteria and has not received the relief they should contact their local authority.

Provided the ratepayer continues to satisfy the conditions for relief which apply at the relevant time as regards the property and the ratepayer, they will automatically continue to receive relief in each new valuation period.

Certain changes in circumstances will need to be notified to the local authority by a ratepayer who is in receipt of relief (other changes will be picked up by the local authority). The changes which should be notified are-

- (a) the ratepayer taking up occupation of an additional property, and
- (b) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief

## **Charity and community amateur sports club relief**

Charities and registered community amateur sports clubs are entitled to 80% relief where the property is occupied by the charity or the club, and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the club (or of that and other clubs).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

## **Spring Budget 2017 Relief Scheme: Supporting Small Business**

Ratepayers losing small business or rural rate relief as a result of the 2017 revaluation will have their increases limited to the greater of either (i) a cash value of £600 per year, or (ii) the matching cap on increases for small properties in the transitional relief scheme. This relief will run for five years until 2021/22 and ratepayers will receive the relief until this date or they reach what their bill would have been without the relief scheme, whichever is first.

This relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from your local authority.

## **Budget 2021 business rates measures**

At the Budget on 3 March 2021, the chancellor announced that the government would provide additional business rates support for eligible retail, hospitality, leisure, and nursery businesses in England occupying a qualifying property.

As a temporary measure for 2021/22 he announced that:

# EXPLANATORY NOTES

The Expanded Retail Discount (2020/21) will be extended for three months for eligible properties, at 100% relief, uncapped, for the period 1 April 2021 to 30 June 2021

From 1 July 2021 to 31 March 2022, the Expanded Retail Discount would apply at 66% relief for eligible properties in the scheme, with a cash cap of £2m for businesses that were required to close as at 5 January 2021, and up to £105,000 for business permitted to open at that date

The Nursery Discount 2021 would also be extended for three months, at 100%, uncapped, for the period 1 April 2021 to 30 June 2021

From 1 July 2021 to 31 March 2022 the Nursery Discount would apply at 66% relief for eligible properties, with a cash cap of £105,000

**For the Expanded Retail Discount 2021/22 and Nursery Discount 2021/22, businesses may choose to opt out of support by providing billing authorities notification of their request to refuse support, per eligible hereditament. To opt out please contact us at [croyndr@croydon.gov.uk](mailto:croyndr@croydon.gov.uk)**

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988). Further information can be obtained from your local authority.

## Local discounts

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained from the local authority.

## Subsidy Control (formally State aid)

The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period. This does not impact

the limited circumstances in which State aid rules still apply under the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

For the avoidance of doubt, local authorities can still pay out subsidies under previously approved schemes as these will be in line with the principles set out in article 3.4, chapter three of the TCA. This includes subsidies related to Covid-19 that have previously been given under the State aid Temporary Framework. To ensure continuity and consistency until any new subsidy provisions are implemented for these schemes, the State aid Temporary Framework provisions set out in previous guidance should still be applied to these schemes until further guidance on subsidy control for these schemes is issued. These provisions include: the €200k De Minimis aid threshold, €800k under the Temporary Framework aid threshold, and €3 million under section 3.12 of the Temporary Framework threshold (a potential aggregate of €4 million).

## Hardship relief

The local authority has discretion to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

## Rating advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS - website [www.rics.org](http://www.rics.org)) and the Institute of Revenues, Rating and Valuation (IRRV - website [www.irrv.org.uk](http://www.irrv.org.uk)) are qualified and are regulated by rules of professional conduct

# EXPLANATORY NOTES

designed to protect the public from misconduct. Before you employ a rating adviser, you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.

## **Information supplied with demand notices**

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority is available at [www.croydon.gov.uk/democracy/budgets/financial-accounts](http://www.croydon.gov.uk/democracy/budgets/financial-accounts)

A hard copy is available on request by calling 020 8726 6000 or writing to: Resources Department, Finance Investment and Risk, 5th Floor, Bernard Weatherill House, 8 Mint Walk, Croydon, CR0 1EA.

## What is Crossrail and how will it benefit your business?

Crossrail is London's newest railway. It will connect the outer suburbs and Heathrow airport to the West End, City and Canary Wharf. As such, Crossrail is vital to the future of London's economy. The increased earnings it will bring – from new jobs and quicker journeys – will benefit businesses across London. It will be named the Elizabeth line in honour of Queen Elizabeth II.

Crossrail is the single largest investment in London's infrastructure for decades. It employed up to 14,000 people at the peak of construction. Work is continuing to complete the project and stations along the route as soon as possible. The section through central London is expected to open in 2022.

To find out more, visit [www.crossrail.co.uk](http://www.crossrail.co.uk), call the Crossrail 24hr helpdesk on 0345 602 3813 or email [helpdesk@crossrail.co.uk](mailto:helpdesk@crossrail.co.uk)

### Developments in the funding of Crossrail

The previous Mayor of London agreed a funding settlement with government in 2010 for the Crossrail scheme. The Mayor and the Secretary of State for Transport agreed revised funding packages for Crossrail in December 2018 and November 2020.

## How will London's businesses help fund Crossrail?

In April 2012, the last Mayor introduced a Community Infrastructure Levy (MCIL) on new developments in London to finance Crossrail. The developer pays this levy. Business ratepayers of larger properties have contributed through a special Crossrail Business Rate Supplement (BRS) since April 2010.

Under the current funding package, the GLA is expected to contribute around £6.9 billion towards Crossrail. This is financed through the MCIL and BRS. The BRS will need to be levied until the GLA's Crossrail related borrowing is repaid. This is expected to be around the late 2030s but no later than 2041, in line with the published Crossrail BRS prospectus. The policies for the BRS in 2021-22 remain unchanged from last year.

## Does my business have to pay the Crossrail BRS?

Your rates bill makes clear if you are liable to pay the BRS. It applies only to assessments (for example business and other non-domestic premises) with a rateable value above £70,000 in London. This threshold means that at least 85 per cent of the capital's non-domestic properties will be exempt in 2021-22.

## How much do I pay if my property's rateable value is above £70,000?

The Crossrail BRS multiplier for 2021-22 remains at 2p per pound of rateable value. Reliefs for the Crossrail BRS will apply on the same basis and at the same percentage rate as for your national non-domestic rates (NNDR) bill. However, there is no transitional relief scheme for the BRS.

## Keeping you up-to-date

We will give ratepayers an annual update over the lifetime of the BRS.

Contact for more information

020 7983 4100 [crossrail-brs@london.gov.uk](mailto:crossrail-brs@london.gov.uk);  
[www.london.gov.uk/crossrail-brs](http://www.london.gov.uk/crossrail-brs)

Finance, GLA, City Hall London SE1 2AA



## Introduction

The Mayor of London's budget for the 2021-22 financial year sets out his priorities to support London's recovery from the covid-19 pandemic and to tackle the huge social, health and economic inequalities which it has exposed and exacerbated. It supports job creation and London's business community, our city's future growth and economic success and the Mayor's vision to rebuild London after the pandemic as a greener, cleaner and safer city with stronger and more cohesive communities.

This year's budget will provide resources to improve the key public services Londoners need. This includes delivering more genuinely affordable homes, securing funding to maintain and expand the capital's transport infrastructure and tackling toxic air pollution and the climate emergency. The budget also provides resources to support jobs and growth, fund skills and retraining programmes, help rough sleepers, invest in youth services and make London a fairer and cleaner place to live. Moreover, it prioritises resources for the Metropolitan Police and London Fire Brigade to keep Londoners safe, including violence reduction initiatives and ongoing support to improve opportunities for young Londoners. In light of the significant reductions in fares revenue and property tax income due to the pandemic, difficult decisions have been unavoidable. However, this budget remains focused on delivering a swift and sustainable recovery from the pandemic, as well as building the better, brighter, fairer future all Londoners want and deserve.

## Council tax for GLA services

The GLA's share of the council tax for a typical Band D property has been increased by £31.59 (or 61p per week) to £363.66. The additional income from this increase in council tax will fund the Metropolitan Police, the London Fire Brigade, and will also go towards maintaining existing travel concessions for the under 18s and Londoners aged 60 and over. Council taxpayers in the City of London, which has its own police force, will pay £96.53.

Council Tax (£)	2020-21	Change	2021-22
MOPAC (Metropolitan Police)	252.13	15.00	267.13
LFC (London Fire Brigade)	55.28	1.59	56.87
GLA	22.69	-0.12	22.57
TfL (Transport)	1.97	15.12	17.09
<b>Total</b>	<b>332.07</b>	<b>31.59</b>	<b>363.66</b>

## **Controlling costs at City Hall and delivering the Mayor's key priorities**

The Mayor's budget includes significant savings across the GLA Group in 2021-22. This has allowed him to release resources to help meet his key priorities. This includes plans to invest £4.4 billion to continue delivering 116,000 affordable homes within London by 2023 and an additional 35,000 by 2026 as well as allocating resources to tackle homelessness and reduce rough sleeping. He has taken steps to improve air quality in London by introducing the Ultra Low Emission Zone in central London, which will be expanded to the North and South Circular roads in Autumn 2021. He will also continue to fund a Green New Deal for London to address the climate emergency, with the objective of helping to create jobs and to double the size of the capital's green economy by 2030.

The Mayor will continue to ask the government to provide the maximum possible ongoing financial support to London businesses and Londoners as the capital emerges from the very severe impact of the covid-19 pandemic. He will also maintain investment in skills and retraining to help tackle unemployment and support Londoners to secure better paid jobs, as well as continuing to request that the government strengthen the safety net for the most vulnerable Londoners.

The Mayor will also work with London's business community, key investors and other stakeholders to support the economic recovery and ensure that London's interests are protected following the UK's departure from the European Union. He will provide funding for new projects to bring communities together, tackle social inequality and boost London's economy, including supporting projects to help small and medium sized businesses.

## **The Mayor's Office for Policing and Crime (MOPAC)**

The Mayor's Police and Crime Plan – a Safer City for Londoners 2017-21 – sets out his strategy for policing and community safety in the city. His key priorities include improving the Metropolitan Police Service (MPS), providing a better criminal justice service in London and keeping children and young people safe. He will also provide resources to tackle domestic violence, which particularly affects women, and continue to invest in violence reduction initiatives.

The Mayor published his action plan in November 2020 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 extra resources to develop greater community involvement in police officer training and in the recruitment and progression of Black officers in the MPS.

The MPS must rise to meet these challenges at a time of acute financial pressure. As a result of the reductions in resources from the Home Office for policing over the last decade, which have only recently started to be reversed by the current government,



the MPS had to close more than 100 police stations and remove over 3,300 Police Community Support Officers and 4,500 police staff in order to protect frontline officer numbers.

The Mayor is raising the police element of his council tax precept by £15 for a typical Band D property, as assumed in government calculations of police spending power. In all, through his decisions in this and previous budgets, the Mayor has funded an additional 1,300 officer posts from locally raised revenues.

## **Transport for London (TfL)**

TfL has faced significant financial challenges as a result of the reduced levels of ridership due to the pandemic since March 2020, which has led to a large fall in fare revenues. The Mayor continues to work with the government to secure a sustainable long-term funding settlement for TfL to allow him to continue investment in the transport network while making it more reliable and accessible. The Mayor's priorities for TfL include:

- working with London boroughs to maintain existing concessionary travel and assisted door to door transport schemes. This includes, for example, maintaining free bus and tram travel for under 18s as well as free off-peak travel across the network for Londoners aged 60+, the disabled, armed forces personnel in uniform and eligible armed services veterans and protecting the Taxicard and Dial-a-Ride schemes;
- opening the central London section of the Elizabeth line (the operational name for Crossrail) in the first half of 2022, followed by the full line opening with through services as soon as possible to increase central London's rail capacity by ten per cent. TfL will also open the Northern line extension to Nine Elms and Battersea Power station in 2021;
- rolling out 94 new Piccadilly line trains, with the first new trains serving customers from 2025;
- enhancing capacity on the London Underground and rail services, and upgrading key stations such as Bank/Monument station;
- making public transport more accessible for everyone. Within the next five years nearly 40 per cent of tube stations are expected to be step free. All Elizabeth line stations once the line opens in full will also be step free;
- extending the London Overground on the Gospel Oak to Barking Line to serve Barking Riverside (due to open by 2022) and expanding capacity on the DLR network;
- maintaining the Bus and Tram one-hour Hopper fare and investing to improve journey times and reliability on the bus network;
- continuing the electrification of London Buses so that all are emission free by 2037 at the latest;

- extending the Ultra Low Emission Zone in central London to the North and South Circular roads by Autumn 2021 to help tackle London's toxic air quality; and
- investing in a range of schemes designed to make walking, cycling and public transport safer, cleaner and more appealing in partnership with London boroughs.

## **London Fire Commissioner (LFC)**

The Mayor's funding ensures that the London Fire Brigade's first and second fire engines attending an emergency incident arrive within 10 minutes on at least 90 per cent of occasions and 12 minutes on at least 95 per cent of occasions respectively, after being dispatched. The Mayor is also providing resources to roll out a transformation programme so that the LFB can implement the recommendations of the Grenfell fire inquiry. This includes investing in the new vehicles and equipment required.

## **London Legacy Development Corporation (LLDC)**

The LLDC was set up to ensure that the city benefits from a long-term legacy from the London 2012 Olympic and Paralympic Games. The Mayor's 2021-22 budget provides funding to progress the construction of East Bank, one of the world's largest and most ambitious cultural and education districts, in Queen Elizabeth Olympic Park. It will bring an additional 1.5 million visitors to the park and surrounding area each year, and more than 2,500 jobs will be created generating an estimated £1.5 billion for the local economy.

## **Old Oak and Park Royal Development Corporation (OPDC)**

The OPDC has been established to support the creation of 65,000 new jobs and at least 24,000 new homes in west London over the next 20 years. It will build on the regeneration benefits which High Speed 2 (HS2), the Elizabeth line and the Great Western Mainline stations at Old Oak Common are expected to bring locally.

## Summary of GLA Group budget

The tables below show where the GLA's funding comes from and the reasons for the year on year change in the budget. It also explains how the GLA has calculated the sum to be collected from council tax (the council tax requirement).

How the GLA budget is funded (£ million)	2021-22
Gross expenditure	13,804.4
Government grants and retained business rates	-8,453.9
Fares, charges and other income	-5,136.9
Change in reserves	883.0
<b>Amount met by council taxpayers (£m)</b>	<b>1,096.6</b>

Changes in spending (£ million)	2021-22
2020-21 council tax requirement	1,010.9
Inflation	176.7
Efficiencies and other savings	-196.3
New initiatives	383.3
Other changes (for example fares revenue and government grants)	-278.0
<b>Amount met by council taxpayers (£m)</b>	<b>1,096.6</b>

## Detailed budget by service area

The table below compares the GLA Group's planned expenditure on policing, fire and other services (including transport) in 2021-22 with 2020-21.

The GLA's planned gross expenditure is higher this year. This is mainly due to the impact of extra investment planned by the Mayor in transport and policing. Overall the council tax requirement has increased because of the extra funding for the Metropolitan Police, the London Fire Brigade and maintaining existing concessionary free travel for under 18s and Londoners aged 60 and over. There has been a 1.0 per cent decrease in London's residential property taxbase. Find out more about our budget at: [www.london.gov.uk/budget](http://www.london.gov.uk/budget).

Summary of Spending and Income (£ million)	Police (MOPAC)		Fire (LFC)		Other Services (incl. GLA, TfL, LLDC and OPDC)		GLA Group Total	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
<i>(figures may not sum exactly due to rounding)</i>								
Gross expenditure	3,885.3	3,968.2	489.5	489.3	8,991.1	9,346.9	13,365.9	13,804.4
Government grants and business rates	-2,786.3	-2,793.0	-266.1	-266.1	-2,434.1	-5,394.0	-5,486.6	-8,453.9
Other income (incl. fares and charges)	-280.0	-290.1	-39.8	-41.2	-6,467.5	-4,805.6	-6,787.3	-5,136.9
<b>Net expenditure</b>	<b>819.0</b>	<b>885.2</b>	<b>183.6</b>	<b>181.2</b>	<b>89.5</b>	<b>-852.7</b>	<b>1,092.0</b>	<b>213.6</b>
Change to level of reserves	-51.9	-80.3	-15.0	-9.4	-14.2	972.7	-81.1	883.0
<b>Council tax requirement (income)</b>	<b>767.1</b>	<b>804.9</b>	<b>168.6</b>	<b>171.8</b>	<b>75.2</b>	<b>119.9</b>	<b>1,010.9</b>	<b>1,096.6</b>

# LONDON PENSIONS FUND AUTHORITY 2021/22

The London Pensions Fund Authority (LPFA) raises a levy each year to meet expenditure on premature retirement compensation and outstanding personnel matters for which LPFA is responsible and cannot charge to the pension fund. These payments relate to former employees of the Greater London Council (GLC), the Inner London Education Authority (ILEA) and the London Residuary Body (LRB).

For 2021/22, the income to be raised by levies is set out below. The Greater London levy is payable in all boroughs, the Inner London levy only in Inner London boroughs (including the City of London). The figures show the total to be raised and, in brackets, the percentage change on the previous year.

<b>Inner London</b>	<b>£13,065,200</b>	
<b>Greater London</b>	<b>£10,317,753</b>	
<b>Total</b>	<b>£23,382,953</b>	<b>(0%)</b>

# LEE VALLEY REGIONAL PARK AUTHORITY

Lee Valley Regional Park is a unique leisure, sports and environmental destination for all residents of London, Essex and Hertfordshire. The 26 mile long, 10,000 acre park, much of it formerly derelict land, is partly funded by a levy on the council tax. This year there has been a 2% increase in this levy. Find out more about hundreds of great days out, world class sports venues and award winning parklands at [www.visitleevalley.org.uk](http://www.visitleevalley.org.uk)

## Budget/Levy Changes – 2020/21 – 2021/22

	2020/21 £m	2021/22 £m
Authority Operating Expenditure	15.1	20.9
Authority Operating Income	-7.9	-12.7
<b>Net Service Operating Costs</b>	<b>7.2</b>	<b>8.2</b>
Financing Costs - Debt Servicing/repayments	0.9	0.5
- Capital investment	1.2	0.8
<b>Total Net Expenditure</b>	<b>9.3</b>	<b>9.5</b>
<b>Total Levy</b>	<b>-9.6</b>	<b>-9.8</b>

# ENVIRONMENT AGENCY

The Environment Agency is a levying body for its flood and coastal erosion risk management functions under the Flood and Water Management Act 2010 and the Environment Agency (Levies) (England and Wales) Regulations 2011.

The Environment Agency has powers in respect of flood and coastal erosion risk management for 5,200 kilometres of main river and along tidal and sea defences in the area of the Thames Regional Flood and Coastal Committee. Money is spent on the construction of new flood defence schemes, the maintenance of the river system and existing flood defences together with the operation of a flood warning system and management of the risk of coastal erosion. The financial details are:

<b>Thames Regional Flood and Coastal Committee</b>		
	<b>2020/2021 (£000s)</b>	<b>2021/2022 (£000s)</b>
Gross Expenditure	£132,291	£133,962
Levies Raised	£11,807	£12,042
<b>Total Council Tax Base</b>	5,163	5,127

The majority of funding for flood defence comes directly from the Department for the Environment, Food and Rural Affairs (Defra). However, under the new partnership funding rule not all schemes will attract full central funding. To provide local funding for local priorities and contributions for partnership funding the Regional Flood and Coastal Committees recommend through the Environment Agency a local levy.

A change in the gross budgeted expenditure between years reflects the programme of works for both capital and revenue needed by the Regional Flood and Coastal Committee to which you contribute. The total Local Levy raised by this committee has increased by 1.99%

The total Local Levy raised has increased from £11,807,323 in 2020/2021 to £12,042,289 for 2021/2022.