



CITY OF LONDON CORPORATION

**COUNCIL TAX AND RATES BOOKLET
2021/22**

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INTRODUCTION

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK. The Corporate Plan for 2018 – 2023 has three strategic aims: –

- To contribute to a flourishing society
- To support a thriving economy
- To shape outstanding environments

The City Corporation is a unique organisation with a diverse range of roles and responsibilities. In addition to the functions of a local and police authority, a range of specialist services are provided to businesses, residents, workers and visitors to the City. Many of the City Corporation's services are of wider regional and national importance and directly affect people outside of the City including flagship cultural organisations such as the Barbican Centre and the Guildhall School of Music & Drama. The City Corporation also manages and protects almost 11,000 acres of open space outside of the City, owns and operates three premier wholesale food markets, and runs the nation's Central Criminal Court at the Old Bailey.

City Corporation Funds

The City Fund covers the City Corporation's activities in its capacity as a local authority, police authority and port health authority. The other funds are Bridge House Estates and City's Cash. Bridge House Estates funds the maintenance of Tower, London, Southwark, Millennium and Blackfriars Bridges and the City Bridge Trust. City's Cash allows us to provide services that are of importance to Greater London as well as to the City at no cost to the public.

More information on the role and ongoing work of the City Corporation can be found in Cityview and City Resident magazines and on the City's website at: www.cityoflondon.gov.uk.

The rest of this publication only covers services provided by the City Fund.

CITY FUND SERVICES

The City of London Corporation serves residents, students, workers and visitors with a range of essential day-to-day services and activities from residential to recreational. Organisationally, the City Corporation comprises a number of departments. The departments providing City Fund services are:-

CITY POLICE

The Force's core mission is to make the City of London safer by upholding the law fairly and firmly; preventing crime and antisocial behaviour; keeping the peace; protecting and reassuring the community; investigating crime and bringing offenders to justice. As the Police Authority for the Square Mile the City Corporation's role is to make sure the Force runs an effective and efficient service; to ensure value for money in the way the police are run, and to set policing priorities taking into account the views of the community. Both the Force's and the Police Authority's priorities are set out in the Policing Plan.

DEPARTMENT OF COMMUNITY AND CHILDREN'S SERVICES

Community and Children's Services has a wide remit. It provides housing at various locations in and around the Square Mile, mainly funded from the Housing Revenue Account, a ring-fenced fund. It also provides a full range of people's service functions within the City such as delivering social care services and Public Health functions. The City Corporation's Local Education Authority is also covered by Community and Children's services. In addition to this, the department is also responsible for managing the Barbican & Community Libraries and the Golden Lane Leisure Centre.

BARBICAN CENTRE

The Barbican is the largest multi venue, integrated arts centre in Europe housing a 2,000 seat concert hall, two theatres, three cinemas, two art galleries and large foyers for other performances and displays. Unlike other arts institutions, the Barbican also boasts modern conference, exhibition and banqueting facilities which offer our clients a unique opportunity to host major events in such a distinctive environment in the heart of London.

DEPARTMENT OF THE BUILT ENVIRONMENT

The Department of the Built Environment offers coordinated services on all activities that relate to the structure and operation of the City's buildings and streets. This includes all aspects of street works including transport infrastructure, highway maintenance, parking and building control (the District Surveyor's function). It also includes development and town planning to address the evolving needs of the future City. Public Realm services are also provided such as waste management and street cleansing.

CITY SURVEYOR'S DEPARTMENT

The City Surveyor's Department is primarily concerned with; maximising the returns from the City Fund portfolio of investment properties, achieving efficiencies and maintaining the City Fund operational properties, providing advice and services to the wider business and property communities

in the Square Mile and providing land ownership records and historical research.

CHAMBERLAIN'S DEPARTMENT

The Chamberlain's (Finance) department ensures effective arrangements are made for the proper administration of the City Corporation's financial affairs. This includes overseeing the City's treasury management, budgets, rates and council tax collection, external audit, local precepts for the Middle and Inner Temples, statutory levies payable to external bodies and corporate financing.

Corporate financing comprises revenue funding of capital and other major schemes together with an offset of the capital charges made to services to reflect the use of their assets, in order to avoid these charges generating a real cost to the taxpayer.

TOWN CLERK'S DEPARTMENT

Through its Innovation and Growth Office, the Town Clerk's Department helps to maintain the City of London's role as the leading international financial centre and helps to realise the economic and social potential of London, especially the City and its neighbouring boroughs. It works to achieve the communications and public relations objectives of the City and it is responsible for electoral services, emergency and contingency planning, community safety and security, and providing the premises for the Central Criminal Court. The department also manages the City Business Library, the Guildhall Library, the London Metropolitan Archives, the Guildhall Art Gallery and London's Roman Amphitheatre. The City Information

Centre, beside St Paul's Cathedral and included in the Town Clerk's department, is the only purpose-designed tourist information office in central London.

DEPARTMENT OF MARKETS AND CONSUMER PROTECTION

The City Corporation owns and manages three wholesale markets, one of which, New Spitalfields, is funded from the City Fund. In addition to undertaking landlord responsibilities for the markets, the department is responsible for a wide range of City Fund services including environmental health, trading standards, licencing regulation and enforcement within the Square Mile. It is also responsible for managing the City Corporation's responsibilities as the London Port Health Authority including the Animal Reception Centre at Heathrow.

OPEN SPACES DEPARTMENT

The City Gardens team is responsible for the day to day operational maintenance of over 150 green spaces, churchyards and other landscaped areas in the Square Mile. The team also works closely with the Department of the Built Environment on projects to improve the City landscape and increase the amount of publicly accessible open space in line with the City's Open Space Strategy. The Department also manages Tower Bridge, Keats House, and The Monument, and is responsible for the management and operation of the City of London Cemetery and Crematorium at Manor Park in East London.

CITY FUND BUDGET

The City Fund Budgets analysed by department for 2021/22 and 2020/21 are set out in Tables 1 and 2 respectively. Further information on the budget agreed by the Finance Committee on 16 February and endorsed by the Court of Common Council on 4 March is available on the City's website at: democracy.cityoflondon.gov.uk.

Table 1 City Fund Budget 2021/22

Departments	Expenditure	Income	Net Requirement
	£m	£m	£m
Police	154.1	(69.0)	85.1
Community and Children's Services	60.7	(46.4)	14.3
Barbican Centre	65.0	(27.8)	37.2
Built Environment	47.3	(32.1)	15.2
Town Clerk	21.8	(12.3)	9.5
Culture, Heritage and Libraries	54.4	(34.7)	19.7
City Surveyor	32.3	(57.0)	(24.7)
Markets and Consumer Protection	22.6	(18.8)	3.8
Chamberlain	8.3	(5.6)	2.7
Open Spaces	7.9	(5.8)	2.1
Corporate Financing *	(23.0)	(0.5)	(23.5)
Gross Expenditure & Income on Services	451.4	(310.0)	141.4
Earmarked Reserves	14.9	(15.0)	(0.1)
Contingencies	12.2	(0.0)	12.2
City Fund Budget	478.5	(325.0)	153.5

Table 2 City Fund Budget 2020/21

Departments	Expenditure	Income	Net Requirement
	£m	£m	£m
Police	151.0	(66.1)	84.9
Community and Children's Services	60.6	(46.4)	14.2
Barbican Centre	56.5	(27.8)	28.8
Built Environment	53.4	(40.5)	12.9
Town Clerk	22.4	(12.6)	9.8
Culture, Heritage and Libraries	56.7	(2.2)	54.5
City Surveyor	19.9	(65.0)	(45.2)
Markets and Consumer Protection	20.7	(16.7)	4.0
Chamberlain	3.4	(11.5)	(8.1)
Open Spaces	8.4	(5.7)	2.7
Corporate Financing *	(27.0)	(33.2)	(60.2)
Gross Expenditure & Income on Services	426.0	(327.7)	98.3
Earmarked Reserves	20.3	(3.8)	16.5
Contingencies	23.2	(0.1)	23.1
City Fund Budget	469.5	(331.7)	137.8

* The negative expenditure shown is due to an adjustment made for capital charges which should not form part of total expenditure.

THE CITY'S COUNCIL TAX

COUNCIL TAX

From 2016/17 to 2021/22, the Secretary of State for Communities and Local Government is allowing councils with adult social care responsibilities to increase council tax¹. For the financial year 2021/22 council tax can increase by 3% for these services. In addition, a general council tax increase of 1.99% is allowable without holding a referendum. For 2021/22 the City Corporation has decided to increase council tax for City Fund Services by 3%. Information provided by the GLA on their council tax and budget requirement is set out on page 13.

Table 3 Band D Council Tax Year on Year Changes

	2020/21	2021/22	Change	Change
	£	£	£	%
City Fund services	894.21	894.21	0.00	0.0
City Adult Social Care ²	33.04	58.70	25.66	3.0
GLA services	79.94	96.53	16.59	20.8
Council Tax	1007.19	1049.44	42.25	4.2

Table 4 sets out the council tax per property for 2021/22 by valuation band and area. Your council tax bill tells you which band applies to your property.

Table 4 Council Tax 2021/22

Band	Proportion of Band D	Inner Temple	Middle Temple	City excluding Temples (special expense area)
		£	£	£
A	6/9	699.62	699.62	699.62
B	7/9	816.23	816.23	816.23
C	8/9	932.83	932.83	932.83
D	9/9	1049.44	1049.44	1049.44
E	11/9	1282.65	1282.65	1282.65
F	13/9	1515.86	1515.86	1515.86
G	15/9	1749.06	1749.06	1749.06
H	18/9	2098.88	2098.88	2098.88

¹ The Secretary of State made an offer to adult social care authorities. ("adult social care authorities" are local authorities which have functions under Part 1 of the Care Act 2014, namely county councils in England, district councils for an area in England for which there is no county council, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly).

The offer was the option of an adult social care authority being able to charge an additional "precept" on its council tax without holding a referendum, to assist the authority in meeting its expenditure on adult social care from the financial year 2016-17. It was originally made in respect of the financial years up to and including 2019-20. If the Secretary of State chooses to renew this offer in respect of a particular financial year, this is subject to the approval of the House of Common.

² The council tax increase due to the adult social care precept is based on a 3% increase on the previous year's band D council tax excluding precepts which totalled £880.10.

Further information on the practical details of council tax can be found on the City Corporation website.

THE CITY FUND BUDGET REQUIREMENT AND DETERMINING THE COUNCIL TAX

The first stage in determining the council tax is to calculate the City Fund Budget Requirement. This is firstly funded by Government, the City's Offset from business rates collected in the City, the premium on Non-Domestic Rate, the use of the surplus from the City's Collection Fund and the use of (or contribution to) City Fund balances. The remaining unfunded expenditure, together with the sum to be collected on behalf of the Greater London Authority, is the amount to be recovered through the Council Tax.

The amount to be recovered through the Council Tax is then divided by the Council Tax base to calculate the Council Tax per Band D dwelling.

For 2021/22, the Council Tax base for the Square Mile has been set as 8,169.64 Band D equivalent dwellings. Band D is the specified band for calculating the Council Tax. The amount of Council Tax payable for each band is shown on page 7. The calculation of the Council Tax Requirement and the Council Tax per Band D property is set out in Table 5. Table 6 explains the change in the City Fund Council Tax Requirement between 2020/21 and 2021/22.

Table 5 Council Tax Requirement

2020/21		2021/22
£m		£m
198.1	Estimated net expenditure to be incurred by the City	199.0
(8.5)	Less Interest on cash balances	(2.6)
(52.2)	Less Estate rent income	(43.2)
137.4	Total	153.2
0.4	Levies and local precepts paid to outside bodies	0.4
137.8	City Fund Budget	153.6
(124.5)	Government formula funding	(122.5)
(12.1)	City Offset	(12.1)
(20.5)	Rate Premium	(18.6)
(1.1)	Collection Fund Surplus	(0.6)
28.0	Contribution to (use of) balances	8.0
7.6	City Fund Council Tax Requirement	7.8
0.6	Add Greater London Authority Precept	0.8
8.2	Total Council Tax Requirement	8.6*
No: 8,149.17	Divide by Council Tax Base (Band D equivalents)	No: 8,169.64
£1007.19	Equals Council Tax per Band D property	£1,049.44

* The unrounded council tax requirement is £8,573,547.00 which divided by the council tax base of 8,169.64 results in a council tax per band D property of £1049.44.

Table 6 Year on Year Changes in the City Fund Council Tax Requirement

	£m
City Fund Council Tax Requirement 2020/21	7.6
Efficiency and budget review savings	(6.1)
Allowance for pay and price increases	1.2
COVID Mitigation	9.2
Additional funding for the City Police	0.2
Other Net Expenditure reductions	(3.8)
Reduction in interest earned on cash balances	5.9
Reduction in investment estate rent income	9.0
Reduction in Government formula funding	2.0
Reduction in income from business rates premium	1.9
Reduction in Collection Fund surplus	0.6
Reduction in Contribution to balances	(19.9)
City Fund Council Tax Requirement 2021/22	7.8

The City Fund Council Tax Requirement includes the following levies and local precepts paid to outside bodies:-

Table 7 Levies and Local Precepts

2020/21		2021/22
£'000		£'000
Levies		
19	Environment Agency	19
19	Lee Valley Regional Park	20
117	London Pensions Fund Authority	118
Local Precepts		
224	Inner Temple	221
161	Middle Temple	158
540	Total requirement of Levying Bodies and Local Precepting Authorities	536

Information provided by these bodies on their levies and precepts is set out on pages 10 to 12.

INFORMATION FROM OTHER BODIES

The following pages relate to external levying bodies and local precepting authorities, whose requirements form part of the City's budget requirement. They have supplied the information given and, therefore, if you have any queries you would like to raise, please contact the relevant body directly.

THE HONOURABLE SOCIETIES OF THE INNER AND MIDDLE TEMPLES

The Honourable Societies of the Inner and Middle Temples are self-governing bodies located in the west of the City, which levy a precept upon the City of London in respect of 'special expenses' relating only to their local government functions.

Table 8 Inner Temple

Class of Service	2020/21 £'000	2021/22 £'000
Gross expenditure on:		
Highways	258	263
Street Cleansing	41	42
Waste Disposal	239	333
Road Safety	18	17
Total Gross expenditure	556	655
Gross income from other sources	(332)	(434)
Amount to be met by precept	224	221

Table 9 Middle Temple

Class of Service	2020/21 £'000	2021/22 £'000
Gross expenditure on:		
Highways	291	295
Street Cleansing	57	57
Waste Disposal	76	73
Road Safety	30	30
Drains & Sewers	15	18
Total Gross expenditure	469	473
Gross income from other sources	(308)	(314)
Amount to be met by precept	161	158

ENVIRONMENT AGENCY SOUTH EAST REGION

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 5200 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:

Table 10 Thames Regional Flood and Coastal Committee

	2020/21	2021/22
	'000s	'000s
Gross Expenditure	£132,291	£133,962
Levies Raised	£11,807	£12,042
Total Council Tax Base	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 2020/21 to £12,042,289 for 2021/22.

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

Table 11 Budget/Levy Changes 2020/21 to 2021/22

	2020/21 £m	2021/22 £m
Authority Operating Expenditure	15.1	20.9
Authority Operating Income	(7.9)	(12.7)
Net Service Operating Costs	7.2	8.2
Financing Costs		
Debt servicing/repayments	0.9	0.5
New capital investment	1.2	0.8
Total Net Expenditure	9.3	9.5
Total Levy	(9.3)	(9.8)

Further details on how this budget is spent and the amount each council contributes can be found at www.leevalleypark.org.uk.

LONDON PENSIONS FUND AUTHORITY

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 by 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 the percentage change on the previous year.

Table 12 LPFA Levy

	£'000	%
Inner London	13,065	0
Greater London	10,318	0
Total	23,383	0

GREATER LONDON AUTHORITY

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 raised will fund the Metropolitan Police and 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 (Met Police)	252.13	15.00	267.13
LFEPA (Fire Brigade)	55.28	1.59	56.87
GLA	22.69	(0.12)	22.57
TfL (Transport)	1.97	15.12	17.09
Total (£)	320.51	31.59	363.66

Summary of GLA budget

The following tables compare the GLA group's spending for 2021-22 with last year and set out why it has changed. The GLA's 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 also been a 1.0 per cent decrease in London's residential property tax base. Find out more about our budget at www.london.gov.uk/budget.

How the GLA Budget is funded (£m)	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 of Reserves	883.0
Amount met by council taxpayers (£m)	1,096.6

Changes in Spending (£m)	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)
Amount met by council taxpayers (£m)	1,096.6

GREATER LONDON AUTHORITY - CROSSRAIL BUSINESS RATE SUPPLEMENT (BRS)

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, call the Crossrail 24 hr Helpdesk on 0345 602 3813 or email 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 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; www.london.gov.uk/crossrail-brs
Finance, GLA, City Hall London SE1 2AA