

Report to the Assembly on the Mayor's Final Draft Consolidated Budget for 2017 – 2018

Report to: London Assembly

Date: 20 February 2017

Report of: GLA Conservatives

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PART A: INTRODUCTION & COMMENTARY¹

This is the current Mayor's first budget. Over the preceding four years, the last Mayor consistently delivered on his promise to reduce City Hall's burden on the London taxpayer. The commitment to reduce the GLA Council Tax Precept by 10 per cent over his second Mayoral term was delivered as promised. He reduced council taxpayers' bills by £500 over his administration, which amounted to a real terms cut in the GLA Council Tax bill of 28 per cent. Such a reduction is in stark contrast to what occurred under the previous administration, during which the council tax burden increased, and also contrasts to the actions of the current Mayor.

This Mayor plans to increase the average Band D precept paid by Londoners from April by £4.02. The justification for this is that the Mayor needs this additional funding to pay for additional resources to support policing. Yet the previous Mayor was able to maintain police number at or around 32,000 whilst cutting his call on the London council tax bill. Not only this, the Mayor has revealed that he is removing £38m from the police staffing budget, which ensures that it will be almost impossible for the Metropolitan Police to meet their strategic target. Clearly, not only does the current Mayor not have the grip on his finances, he is also far less interested in protecting frontline policing than his predecessor.

The GLA Conservatives propose a number of amendments to the Mayor's budget that would improve the lives of Londoners, whilst at the same time reducing the amount of council tax the GLA demands from those who live in the capital. We would reduce the average council tax for a Band D property compared to the Mayor's proposals by £8 – the balance of the £20 Olympic Precept remaining following the £12 cut made by Boris Johnson this year. It was made clear to Londoners in their council tax communications from the GLA from 2006-07 onwards and by the then Mayor when the Olympic precept was introduced that it would end in 2017-18. We believe the current Mayor should honour the pledge given to Londoners and remove the remaining £8.

¹ This report is made up of two Parts, A and B. The text in Part A does not form part of the formal budget amendments, which are set out in Part B.

Alongside this £8 reduction the additional amendments to council tax (including a reduction in the Assembly’s council tax requirement) would reduce it by a further 43 pence giving a total reduction of £8.43 compared to the Mayor’s draft budget proposals. This would cut the council tax bill for a typical Band D household from £280.02 to £271.59, which represents a fully-funded 3.0 per cent reduction in the average council tax bill compared to the Mayor’s proposals and a 1.6 per cent (£4.41) cut compared to the 2016-17 Council tax figure of £276.

GLA Mayor

	Mayor’s Final Draft	Conservative Amendment
	£m	£m
Remove the £8 Olympic Precept from the council tax requirement financed by reallocation of retained business rates from TfL	0.00	-23.0
Additional reduction in council tax of 43p financed by reallocation of retained business rates from TfL	0.0	-1.2
Reallocation of Council Tax from GLA to the OPDC financed by a transfer from GLA general reserves	0.0	-4.5
Pilot initiative for assistance dogs for veterans with PTSD	0.0	1.1
Installation of public access defibrillators	0.0	0.03
Proposed 2017-18 council tax requirement	65.9	38.1

During his election campaign and during the first year of his mayoralty, the Mayor bragged about being a “Mayor for all Londoners”. Yet, be it the unexpected transport fares hike, the broken promise on “zero strikes” or the increase in the average council tax bill, this Mayor is clearly not as for as many Londoners as he first suggested.

One good example of the Mayor placing his own political messaging over the economic wellbeing of Londoners is his ill-thought through “T-Charge”. The Emissions Surcharge, to give it its correct name, will be a levy on drivers that own older cars and vans. It is designed to cut dangerous emissions, yet Transport for London admits that it will have only a “negligible” impact on air pollution, whilst costing commuters and small businesses £23 million in its first year. This is a prime example of the Mayor choosing to support vanity projects over the economic needs of Londoners.

This is not the only problem this Mayor has presented ordinary Londoners with in his first year, below are some further examples of the profligacy and waste of this Mayor, and what instead GLA Conservatives would prefer he did.

Olympic Precept

As part of the funding package agreed by the first Mayor Ken Livingstone, and honoured by the last Mayor Boris Johnson, the GLA committed to raise £625 million from London Council Taxpayers as a contribution to the public sector funding package for the 2012 Olympic Games and Paralympic Games over the period 2006-07 to 2016-17. A £20 precept was applied from 2006-07 to 2015-16 and this was reduced by the previous Mayor to £8 in his 2016-17 budget. The full £625 million contribution will have been paid to the Government by the end of the 2016-17 financial year.

It was made very clear to Londoners when the Olympic precept was introduced that when the full £625 million had been collected it would end. Yet this Mayor has refused to do this and has redirected the revenues raised from the £8 to fund the core GLA budget in 2017-18. There is no justification for Londoners to continue paying the remaining £8 when they were promised it would end.

Not only was the eventual withdrawal of the Olympic precept supported by the previous two Mayors, the current Mayor himself, during his electoral campaign, said that he would keep the Mayoral precept as low as possible and that he “supported the decision to cut council tax following the end of the Olympic Precept”.² This is an example of yet another broken promise from this mayor.

We would like to see the pledge to Londoners when the precept was introduced honoured and for Londoners to stop paying for something that has already been settled. As such, we recommend that the remaining £8 of the Olympic precept be removed from this year’s budget, which would save Londoners approximately £23 million.

Reduce additional hires at City Hall

During a Budget and performance Committee session in November, it was revealed that the GLA could be hiring an additional 100 employees in order to staff the additional programmes being instigated on behalf of the new Mayor, and indeed, that this had been budgeted for. GLA Conservatives object to this approach. Instead of adding additional mayoral programmes to the initiatives in place from this previous mayoralty, it would be much better to have a review to determine whether programmes could be merged or reformed in order to incorporate the wishes of the current Mayor, whilst ensuring that the GLA remains streamlined.

It is always more cost-effective to retrain, reallocate or reprioritise staff than it is to add to a headcount. While it may be reasonable to sometimes hire new staff, we believe that 100 new employees (roughly one-eighth of total headcount) would represent a profligate use of resources. As such, we would instead like to see 75 of these planned roles removed from the GLA’s budget.

Typically, once you include both wages on on-costs, each new employee costs the GLA approximately £60k per annum. If the Mayor was instead to limit staff increases and reduce the proposed headcount by 75, he would have an additional £4.5m to allocate elsewhere within his budget. GLA Conservatives would like to see this money used to replenish the losses to the General Reserve mentioned elsewhere in this submission that are as a result from the GLA honouring its commitments to fully fund the OPDC.

² http://www.sadiq.london/a_manifesto_for_all_londoners

All GLA Group buildings to have public access defibrillators

The Mayor's health manifesto outlines goals to improve public health. One key area that should be a top priority is cardiovascular health. With over 10,000 cardiac related deaths across London in 2016, it would be irresponsible to underestimate the severity of this problem and even more so, to neglect addressing the problem head on.

Fatalities from sudden cardiac arrests are often a cause of lack of understanding and lack of skills to prevent a fatality. During peak traffic time, ambulances in London can take over 12 minutes to respond to an emergency call – training and defibrillators would significantly improve the chances of survival. It would be advisable that to maximise efficiency, the Mayor should recognise the potential benefits of public access defibrillators.

It is for this reason that we would like the GLA to ensure that the City Hall building has access to publically available defibrillators. The cost of purchasing and installing a defibrillator is £950 per unit,³ and we envisage that the GLA would need four per floor of the City Hall building. As such, the total cost of such a scheme would be £30,400, which is small when you compare to the potentially life-saving interventions these units could provide. This would be funded by the scrapping of Nominee Passes and by reducing the funding of TravelWatch, both of which are detailed in later sections.

Companion dogs for veterans with PTSD

Post-traumatic stress disorder (PTSD) is an anxiety disorder caused by experiencing very distressing events. Someone who suffers from PTSD will often relive the traumatic event through flashbacks or nightmares – and this can also often be combined with feelings of isolation, guilt and severe irritability. It is also highly likely that someone suffering from PTSD may suffer from conditions like insomnia, and struggle with their concentration.

Most Armed Forces personnel do not experience mental health problems while they are in service. However, they are more likely than other parts of society to develop mental health problems, in particular PTSD. The UK based charity Combat Stress estimates that around 1 in 25 former Armed Forces regulars and 1 in 20 Armed Forces Reservists who were deployed in Iraq or Afghanistan will report systems of PTSD following their service. Given there are 134,000 veterans living in London, this is obviously a substantial problem.

Assistance dogs (sometimes known as service dogs) are dogs which have been specifically trained to aid or assist an individual suffering with a particular disability. Introducing a specially trained assistance dog into the life of an Armed Forces veteran who is suffering from PTSD has been shown to have hugely beneficial outcomes.

The practical benefits of an assistance dog for veterans suffering from PTSD is that the mere ownership of the dog requires the individual to be active, for example it places responsibility on the Armed Forces veteran to walk the dog and feed it. Additionally there is the added emotional benefit of an assistance dog – whereby the dog provides unconditional love, showing no judgement and offering an uncomplicated relationship – which empowers an Armed Forces veteran suffering from PTSD to reconnect with their emotions.

³ According to figures obtained from the London Ambulance Services

According to the charity Veterans with Dogs, the average cost of training an assistance dog to help an Armed Forces veteran suffering from PTSD is £11,000 over two years. If a pilot of such a scheme were to initially be launched by the Mayor of London for 100 Armed Forces veterans, this would cost in the region of £1,100,000 per annum or £2,200,000 over two years.

GLA Conservatives would like a pilot scheme to be funded for 2017-18 by the scrapping of Nominee Passes and by reducing the funding of TravelWatch, both of which are detailed in later sections.

OPDC Funding

On the reallocation of council tax from GLA – Mayor to the OPDC, this will not alter the overall council tax requirement for the GLA Group, but this will appear as a minus in the council tax requirement for GLA – Mayor. This will be replaced, as mentioned above, out of the General Reserve, but this will not add to the council tax requirement as a result.

GLA Assembly

	Mayor's Final Draft	Conservative Amendment
	£m	£m
Reduction in funding for London TravelWatch	1.1	-1.0
Proposed 2017-18 council tax requirement	2.6	1.6

The Mayor proposes that the Assembly's council tax requirement will be £2.6 million in 2017/18, which is identical to what it is during this financial year. While it is welcome that the Assembly budget is not growing, we think more could be done to slim down this budget. We would like any savings generated to go towards a reduction in the Assembly's call on the council tax precept.

Consistent to what we have asked for in previous years, GLA Conservatives would like to see a significant reduction in the budget for London TravelWatch. This is an ineffective body that either replicates that work of the Assembly Transport Committee or mimics the work of Transport Focus, the national passenger watchdog. As a result, it is a redundant organisation and its funding should be reduced with a consequential reduction to the council tax requirement for the Assembly.

Mayor's Office for Policing and Crime

The Mayor's Office for Policing and Crime (MOPAC) works on behalf of Londoners to hold the Metropolitan Police Service (MPS) to account and improve the provision of criminal justice services across the capital. While the MPS perform an admirable job, the future financial situation may make it difficult for the Mayor to protect frontline policing. The MPS will need to find £400m worth of efficiency savings by the end of this mayoral term if it is to maintain police numbers.

Cuts to frontline police funding

The Mayor has pledged to maintain the strategic target of 32,000 police officers. Yet his budget does not include the funding to allow the Met to provide 32,000 officers in 2017-18.

Indeed, the MOPAC budget submission shows that the Mayor intends to remove the £38 million of funding required to bring it up to 32,000 officers, which would make it almost impossible to increase police numbers without shifting funding from elsewhere in the budget.

While the Mayor told us that he planned to bring the £38 million back in to the Met's budget after 2017-18, he admitted this was entirely dependent on government funding. We think this is unacceptable and believe that funding could be better allocated from elsewhere in the police budget. To do otherwise would be to prevent the police from doing their job properly.

The GLA Conservatives would instead like to see this funding replaced by reducing the budgets of those items of revenue spend that are not related to staffing costs, these are transport costs, premises maintenance and supplies & services. Reducing these budgets by five per cent, which is more than possible to generate through efficiencies, would result in £38m being accrued in savings. This should then be transferred to the staff budget to protect frontline policing and ensure that the 32,000 strategic target can actually be achieved.

This change does not result in an amendment to the statutory calculations in Part B as this redirect expenditure from non staffing costs to front line policing pay costs.

LFEPA

The London Safety Plan sets out LFEPA's key priorities. These are to: promote community safety and fire prevention; make sure that buildings in London conform to the appropriate fire safety standards; respond to emergency incidents as quickly as possible; and deliver services in a cost effective way. LSP6 also sets out headline performance targets on reducing home fires; conducting safety visits; reduce fire related deaths; and reduce false alarms from automated systems. On all of these measures, thanks to the plans laid down by the previous Mayor, the London Fire Brigade is performing well.

A new plan is currently in draft. It is anticipated that this new London Safety Plan will be adopted in April 2017. Therefore, LFEPA's main commitments set out below are still subject to consultation and change. After deducting fees, charges, and other income and use of reserves from LFEPA's gross revenue expenditure of £423.4 million, the Mayor proposes that its net expenditure for 2017-18 will be £394.6 million which is unchanged from the sum allocated by the previous Mayor in 2016-17. The Mayor also proposes that the council tax requirement for LFEPA is £138.2 million.

We are confident that the LFB and LFEPA will, in following the previous Mayor's budget plans, continue to perform well. As such, we do not wish for the LFEPA budget to be amended for this financial year.

Transport for London

	Mayor's Final Draft	Conservative Amendment
	£m	£m
Additional revenues from the scrapping of nominee passes	0.0	-24.40
Reallocation of retained business rates from TfL to GLA to fund reduction in council tax	0.0	24.40
Proposed 2017-18 council tax requirement	6.0	6.0

Transport for London is facing a period of uncertainty. Not only does it need to be self-financing by 2018, under the current plans the current Mayor has increased long-term borrowing by 46 per cent, which undermines the future financial viability of the organisation. The Mayor has also been less than impressive with broken promises on fares hikes and industrial action, and the removal of £100m from the capital budget for the Sutton Tram Extension, which was included by the former mayor, undermines eight years of hard work by campaigners, including Steve O'Connell AM. This cut will significantly reduce the transport connectivity of that part of London.

This Mayor has much to improve if he is to deliver for Londoners on transport policy.

Nominee Passes

GLA Conservatives have consistently campaigned on this issue and will continue to in this budget submission, but it is a strange and puzzling phenomenon that, at a time when TfL needs to 'cut the fat' and become self-financing by 2018, Transport for London (TfL) offers, as an employee perk, free and non-taxable travel on the TfL network for nominees of their staff. Nominee Passes are not only open to a family member, they are also available to any one person residing in the staff member's household – be they a lodger or a flatmate.

Neither the Metropolitan Police Service nor the London Fire Brigade, which are widely considered as more vital organisations, offer such passes to nominees of their staff. So why does TfL continue this unaffordable and unfair practice? Although TfL have stated that the provision of free travel to staff nominees is nil because the number of such journeys is insufficient to require additional services, this is disingenuous as there is a reduction in income from the loss of fare revenues.

The most recent figures from TfL suggest that there are 18,477 Nominee Passes in circulation. If it were assumed that the average journey undertaken by passholders was to commute between Zones 1 and 4, and that only 70 per cent of pass holders would purchase an annual Travelcard if this perk were withdrawn, then the additional fare revenue TfL could expect to raise would be approximately £24.4m.⁴ In this budget submission, we would like to see nominee passes scrapped at the earliest opportunity and the additional revenues used to fund the expected cut in council tax following the end of the Olympic Precept, as well as the proposed pilot to provide companion dogs to veterans with PTSD and the provision of defibrillators in GLA Group buildings mentioned above.

LLDC

The London Legacy Development Corporation (LLDC) is responsible for promoting and delivering the regeneration of Queen Elizabeth Olympic Park and the surrounding area. Since London 2012, the LLDC has been working to transform the Park and venues from their Olympic to their legacy configuration. The Copper Box Arena, Timber Lodge, North Park and Aquatics Centre re-opened by March 2014. The ArcelorMittal Orbit and re-modelled South Park opened in April 2014 and the London Stadium is now fully functioning.

The Corporation will also bring forward plans introduced by the previous mayor to create a Cultural and Education District (CED) in the Olympic park area. Olympicopolis, as it is also known, will bring together the world class cultural and education institutions of Sadler's Wells, University of Arts London (UAL), UCL and the Victoria and Albert Museum (V&A) to create an arts and education quarter that will bring 3,000 jobs in the area and attract 1.5 million visitors a year.

The £1.3 billion programme is funded through a combination of Government funding, contributions from partners, receipts from the sale of residential developments, philanthropic donations and GLA funding.

Overall, with the LLDC gross revenue expenditure in 2017-18 is budgeted to be £39.9 million, including estimated capital financing costs of £12.2 million (£27.7 million net of financing costs). This has decreased by £1.6 million from the 2016-17 revised budget. Net revenue expenditure in 2017-18 is budgeted to be £35.3 million, (£23.1 million net of financing costs). Net revenue expenditure has decreased by £1.4 million from the 2016-17 revised budget.

In this amendment we are happy with the general direction of the Corporation and do not require any reallocations of expenditure.

⁴ A Zone 1-4 Annual Travelcard currently costs £1,892.

OPDC

	Mayor's Final Draft	Conservative Amendment
	£m	£m
Council tax transfer from GLA - Mayor	0.0	4.5
Proposed 2017-18 council tax requirement	0.0	4.5

The Old Oak Common and Park Royal area came into operation on 1 April 2015. The new High Speed 2 (HS2), Crossrail and Great West Mainline stations at Old Oak Common will provide the impetus for a once in a lifetime regeneration opportunity in that part of West London. The OPDC, utilising its planning and regeneration powers, will ensure that all these benefits are captured and maximised to deliver much needed jobs and homes in London.

OPDC's planning framework was approved and adopted by the Mayor on 4 November 2015. The Opportunity Area Planning Framework aims to:

- create a new urban neighbourhood at Old Oak, supporting a minimum of 24,000 new homes and an additional 1,500 in non-industrial locations in Park Royal;
- support the creation of 55,000 new jobs at Old Oak and a further 10,000 at Park Royal;

The GLA Conservatives are very supportive of the OPDC, and indeed voted for its creation under the last mayoralty. We would like to see it fully resourced and in a position for carry out its functions without financial impediment.

Restore OPDC funding

The Mayor has, after a review of the OPDC he conducted earlier in his term, decided to reduce the funding the GLA provides to the Corporation by 40 per cent. The funding for 2016/17 was £11.4m, whereas for this budget he has only allocated £6.9m.

The previous administration had secured, under a Memorandum of Understanding with the Department for Transport, an additional £6m for the OPDC in 2016/17 and for the two following years. This promised money has not been allocated to the OPDC for the upcoming financial year, hence why there is such a large cut.

The CEO of the OPDC, Victoria Hills, said the following in a letter addressed to the Mayor regarding this cut:

"...your proposal presents some operational challenges and will impact upon delivery in some areas, most notably socio-economic regeneration, engagement and some of the more challenging public sector-owned sites."⁵

⁵ https://www.london.gov.uk/sites/default/files/letter_from_ceo_to_mayor.pdf

Victoria Hills also said at a recent Budget and Performance Committee session on 5th January that there are currently 11k homes in the planning pipeline. Obviously, by reducing the funding available to the OPDC, the Mayor has placed into the jeopardy the organisation's ability to swiftly bring these homes through the planning process and to submit further planning applications. This not only delays the delivery of much needed homes in London, in potentially means that the OPDC will not be in a place to meet its long-term housing targets.

For this reason, GLA Conservatives would like to see the funding that has been removed from the OPDC's budget replaced fully through a transfer of council tax of £4.5m from the GLA to ensure that the Corporation has the £11.4m needed to perform its role. The parent body should then make up its own shortfall by utilising the funds available for such purposes in the General Fund. It is only right that the GLA honours its previous commitment to provide £6m in 2017/18 so that the OPDC can perform the job it was created to do without impediment. The General Fund would itself, then, be replenished by the funds accrued by not increasing GLA headcount as currently planned (see above).

Summary of proposals

Council tax requirements and Resulting Band D Council Tax

Component council tax requirement	Mayor's proposals 2017/18	GLA Conservatives proposals 2017/18
Mayor of London	£65.9m	£38.1m
London Assembly	£2.6m	£1.6m
MOPAC	£592.0m	£592.0m
LFEP A	£138.2m	£138.2m
TfL	£6m	£6m
LLDC	£NIL	£NIL
OPDC	£NIL	£4.5m
Consolidated council tax requirement	£804.8m	£780.5m
Total Band D precept (£)	£280.02	£271.59

PART B: Proposal to approve, with amendments, the Final Draft Consolidated Budget for the 2017-18 financial year for the Greater London Authority and the Functional Bodies.

RECOMMENDATIONS:

FORMAL BUDGET AMENDMENT

1. The Mayor's Final Draft consolidated budget (together with the component budgets comprised within it) for 2017-18 be amended by the sum(s) shown in column number 3 of the table for each constituent body, as set out and in accordance with the attached Schedule.

(These sums are the calculations under sections 85(4) to (8) of the Greater London Authority Act 1999 (as amended) ('The GLA Act') which give rise to each of the amounts mentioned in recommendations 2 and 3 below.)

2. The calculations referred to in recommendation 1 above, give rise to a component council tax requirement for 2017-18 for each constituent body as follows:

<i>Constituent body</i>	Component council tax requirement
Greater London Authority: Mayor of London	£38,119,728
Greater London Authority: London Assembly	£1,615,000
Mayor's Office for Policing and Crime	£592,035,072
London Fire and Emergency Planning Authority	£138,238,000
Transport for London	£6,000,000
London Legacy Development Corporation	£NIL
Old Oak and Park Royal Development Corporation	£4,500,000

3. The component council tax requirements shown in recommendation 2 above, give rise to a consolidated council tax requirement for the Authority for 2017-18 (shown at Line 99 in the attached Schedule) of **£780,507,800**.

BUDGET RELATED MOTIONS

3. [WHERE APPLICABLE, INSERT ANY OTHER BUDGET RELATED MOTIONS REQUIRED]

NOTES:

Assembly's powers to amend the Mayor's final draft consolidated budget

- a. The Mayor is required to set a consolidated and component council tax requirement and it is this amount which the Assembly has the power to amend. The council tax requirement equates to the amount which will be allocated to the Mayor, the Assembly and for each functional body from the Mayor's council tax precept. These individual functional body requirements are consolidated to form the consolidated council tax requirement for the GLA Group.
- b. A two thirds majority of votes cast by Assembly Members is required to approve any amendment to recommendations (1) to (3) above concerning the Final Draft Consolidated Budget; abstentions are not counted.
- c. If a two thirds majority to approve an amendment is not achieved then the Mayor's Final Draft Consolidated Budget, is therefore approved without amendment.
- d. Lines 4 (GLA Mayor), 18 (Assembly), 32 (MOPAC), 46 (LFEPa), 60 (TfL), 74 (LLDC) and 88 (OPDC) within the expenditure estimates are used to allocate any revenue account deficit being met from reserves relating to a prior financial year. Under the Mayor's proposals the GLA (Mayoral) component budget (line 4) includes the GLA's share of the estimated current forecast net collection fund deficit at 31 March 2017 in respect of retained business rates. This is nominally allocated to the GLA in line with accounting practice as the precepting authority but in principle the deficit can be attributed to any component budget. The forecast net collection fund surplus reported by billing authorities for council tax in respect of 2016-17 is treated as an income item (see section e below).
- e. The income estimates calculated under section 85 5(a) of the GLA Act are presented in five parts within the statutory calculations:
 - Income not in respect of Government grants, business rates retention or the council tax precept. This includes fare revenues; congestion charging income; the Crossrail Business rate supplement; and all other income not received from central government, through the council tax precept or for retained business rates. (line 6 for the Mayor, line 20 for the Assembly, line 34 for MOPAC, line 48 for LFEPa , line 62 for TfL, line 76 for the LLDC and line 90 for the OPDC);
 - Income in respect of specific and special government grants. This includes those grants which are not regarded as general grants and are nominally paid for specific purposes and must generally be applied and allocated to the relevant functional body. This includes Home Office specific grants for MOPAC including counter-terrorism funding and other grants paid for specific purposes to the GLA and the other functional bodies (line 7 for the Mayor, line 21 for the Assembly, line 35 for MOPAC, line 49 for LFEPa, line 63 for TfL, line 77 for the LLDC and line 91 for the OPDC);
 - Income in respect of general government grants. In 2017-18 this includes the general element only of the GLA Transport Grant payable for the purposes of Transport for London and for - MOPAC only its general Home Office grant comprising the core Home Office police, National and International Capital Cities, council tax legacy support and principal police formula component funding streams (line 8 for the Mayor, line 22 for the Assembly, line 36 for MOPAC, line 50 for LFEPa, line 64 for TfL, line 78 for the LLDC and line 92 for OPDC). The Home Office policing and principal police formula grant reported within line 36 – this being the total sum excluding the £29.6 million provided via retained business rates for prior year council tax freeze grants - can only be applied to the MOPAC component budget and the general transport grant figure on line 64 for TfL can only be applied for its purposes.;

- Income in respect of retained business rates including estimated related section 31 grant income payable by the Secretary of State under the Local Government Act 2003 and the element of the GLA's business rates income used to meet the fixed tariff and estimated levy payment to the Secretary of State (line 9 for the Mayor, line 23 for the Assembly, line 37 for MOPAC, line 51 for LFEPA, line 65 for TfL, line 79 for the LLDC and line 93 for OPDC). The amount allocated to the GLA Mayor component budget on line 9 can be no lower than £762.5 million representing the tariff and estimated levy payment due to the Secretary of State in 2017-18.; and

- The GLA's estimated share of any aggregate forecast net collection fund surplus at 31 March 2017 reported by the 33 London billing authorities in respect of either council tax and/or retained business rates. These surpluses are nominally allocated to the GLA Mayoral component reflecting its responsibility for the administration of these funding sources but in principle they can be attributed to any component budget. For the Final Draft budget this figure reflects the GLA forecast share of the forecast net collection fund surplus for 2016-17 of £24.8 million in respect of council tax only as the retained business rates forecast is reported on line 4 as it is forecast to be a deficit (line 10 for the Mayor, line 24 for the Assembly, line 38 for MOPAC, line 52 for LFEPA, line 66 for TfL, and line 80 for the LLDC). This figure will be updated in the Final Draft budget to reflect the actual forecasts supplied by billing authorities by the end of January 2017.

- f. A subtotal for income items before the use of reserves (line 11 for the Mayor, line 25 for the Assembly, line 39 for MOPAC, line 53 for LFEPA, line 67 for TfL, line 81 for the LLDC and line 95 for the OPDC) is included in the proforma and must also be amended to reflect the sum of any amendments made to the income items listed in paragraph d above.
- g. The proposed use of reserves to meet expenditure is recorded in lines 12 (Mayor), 26 (Assembly), 40 (MOPAC), 54 (LFEPA), 68 (TfL), 82 (LLDC) and 96 (OPDC). The overall income total including the use of reserves and the sum of the income items from paragraph e is recorded in lines 13 (Mayor), 27 (Assembly), 41 (MOPAC), 55 (LFEPA), 69 (TfL), 83 (LLDC) and 97 (OPDC) – and again this must also be amended to reflect the sum of any amendments made to the income items described in paragraphs d and e above.

Council tax base and GLA Share of Billing Authority Collection Fund Surpluses or Deficits

- h. For the purposes of the Final Draft budget calculations the council tax requirements are calculated using the aggregated approved 2017-18 council taxbases for the 33 London billing authorities - 2,879,204.53 Band D equivalent properties for non police services and 2,872,144.14 for police services (i.e. excluding the taxbase for the City of London). This Final Draft budget also reflects the GLA's share of retained business rates income for 2017-18 and the estimated collection fund surpluses or deficits in respect of retained business rates and council tax for 2016-17 supplied by billing authorities in January 2017. The collection fund surpluses/deficits are adjusted for in 2017-18 through amending the instalments payable to the GLA by billing authorities.

Compliance with Council Tax "Excessiveness Principles" Set by the Secretary of State

- i. A Band D council tax for non police services in the City of London (the unadjusted basic amount of council tax applying in the City) which exceeds £75.36 and/ or a total council tax elsewhere (the adjusted basic amount applying in the 32 London boroughs) which exceeds £281.51 would be regarded as "excessive" under the draft principles announced by the Secretary of State on 15 December which are expected to be approved by the House of Commons on 22 February. This is because a higher Band D amount in either case will result in an increase at or above the 2% threshold set by the Secretary of State, in which case the increase is regarded "excessive," thereby triggering (in either or both cases as applicable) a requirement to hold a council tax referendum of local government electors across the whole of Greater London.

- j. Assembly Groups should therefore seek advice should they wish to propose amendments which have the effect of increasing the precept compared to the figures proposed by the Mayor of £73.89 (the unadjusted amount of council tax in the City) and £280.02 (the adjusted amount in the 32 boroughs) as it is possible that the amendment could breach the excessiveness principles depending on the apportionment of any additional council tax precept income raised between police and non police services.

- k. If an amendment resulting in an “excessive” council tax is passed at the 25 February meeting at which the Final Draft budget is to be considered, the Assembly will also be required to approve an alternative default or ‘substitute’ budget that is compliant with the excessiveness principles and which would become the budget should any resulting referendum not be passed – in effect one consistent with an unadjusted council tax of £75.36 (in the area of the Common Council of the City of London) and/or an adjusted council tax of £301.51 (in the 32 London Boroughs) depending on which (or both) is/are “excessive”. Part 3 of the Mayor’s Final Draft budget provides advice to Assembly members on Council tax referendum issues.

SCHEDULE

Part 1: Greater London Authority: Mayor of London ("Mayor") Final Draft component budget

NOTE: Amendments to the Final Draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor's Proposal	Budget amendment	Description
1	£1,025,358,558	£1,021,986,863	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
2	£1,900,000	£	estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act
3	£84,314,092	£	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act
4	£27,458,336	£	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	£1,139,030,986	£1,135,659,291	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	-£139,700,000	-£	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	£0	-£	estimate of the Mayor's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
8	£0	-£	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	-£908,619,021	-£933,019,021	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	-£24,820,542	-£	estimate of the Mayor's share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
11	-£1,073,139,563	-£1,097,539,563	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	£0	-£	estimate of Mayor's reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act
13	-£1,073,139,563	-£1,097,539,563	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	£65,891,423	£38,119,728	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 2017-18 (line 14 col 3) is £38,119,728

Part 2: Greater London Authority: London Assembly (“Assembly”) Final Draft component budget

NOTE: Amendments to the Final Draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
15	£7,400,000	£6,400,000	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	£0	£	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the GLA Act
19	£7,400,000	£6,400,000	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	-£4,785,000	-£	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 council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
25	-£4,785,000	-£	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	£0	-£	estimate of Assembly’s reserves to be used in meeting amounts in lines 19 above under s85(5)(b) of the GLA Act
27	-£4,785,000	-£	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	£2,615,000	£1,615,000	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 2017-18 (line 28 col 3) is £1,615,000:

Part 3: Mayor's Office for Policing and Crime ("MOPAC") Final Draft component budget

NOTE: Amendments to the Final Draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor's proposal	Budget amendment	Description
29	£3,269,158,972		£ 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	£0		£ estimate of reserves to meet a revenue account deficit of the MOPAC under s85(4)(d) of the GLA Act
33	£3,269,158,972	£	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	-£263,562,000	-£	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	-£420,143,000	-£	estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£1,882,068,900	-£	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	-£29,550,000	-£	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 council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
39	-£2,595,323,900	-£	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	-£81,800,000	-£	estimate of MOPAC's reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act
41	-£2,677,123,900	-£	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	£592,035,072	£	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 2017-18 (line 42 col 3) is: £592,035,072

Part 4: London Fire and Emergency Planning Authority (“LFEPA”) Final Draft component budget

NOTE: Amendments to the Final Draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor’s Proposal	Budget amendment	Description
43	£426,750,000	£	estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the GLA Act
44	£0	£	estimated allowance for contingencies for LFEPA under s85(4)(b) of the GLA Act
45	£2,750,000	£	estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the GLA Act
46	£0	£	estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the GLA Act
47	£429,500,000	£	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFEPA (lines (43) + (44) + (45) + (46) above)
48	-£34,900,000	-£	estimate of LFEPA’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	-£12,200,000	-£	estimate of LFEPA’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
50	£0	-£	estimate of LFEPA’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
51	-£244,162,000	-£	estimate of LFEPA’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 LFEPA’s share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
53	-£291,262,000	-£	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	£0	-£	estimate of LFEPA’s reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act
55	-£291,262,000	-£	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFEPA (lines (53) + (54) above)
56	£138,238,000	£	the component council tax requirement for LFEPA (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 LFEPA for 2017-18 (line 56 col 3) is: £138,238,000

Part 5: Transport for London (“TfL”) Final Draft component budget

NOTE: Amendments to the Final Draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
57	£6,978,000,000		£ 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	£0		£ estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act
61	£6,978,000,000		£ 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	-£5,822,500,000	-£5,846,900,000	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	-£67,200,000	-£	estimate of TfL’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
64	-£228,000,000	-£	estimate of TfL’s income in respect of general government grants (revenue support grant and the GLA Transport General Grant) calculated in accordance with s85(5)(a) of the GLA Act
65	-£854,300,000	-£829,900,000	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 council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
67	-£6,972,000,000	-£	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	£0	-£	estimate of TfL’s reserves to be used in meeting amounts in line 61 above under s85(5) (b) of the GLA Act
69	-£6,972,000,000	-£	aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68))
70	£6,000,000	£	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 2017-18 (line 70 col 3) is: £6,000,000

Part 6: London Legacy Development Corporation ("LLDC") Final Draft component budget

NOTE: Amendments to the Final Draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor's proposal	Budget amendment	Description
71	£39,900,000	£	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	£39,900,000	£	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	-£16,800,000	-£	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	£0	-£	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	-£16,800,000	-£	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 council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
81	-£33,600,000	-£	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	-£6,300,000	-£	estimate of LLDC's reserves to be used in meeting amounts in line 75 above under s85(5)(b) of the GLA Act
83	-£39,900,000	-£	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	£	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 LLDC for 2017-18 (line 84 col 3) is: £0

Part 7: Old Oak and Park Royal Development Corporation (“OPDC”) Final Draft component budget

NOTE: Amendments to the Final Draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
85	£7,300,000	£11,800,000	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	£7,300,000	£11,800,000	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	-£4,800,000	-£	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	-£2,500,000	-£	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 council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
95	-£7,300,000	-£	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	-£7,300,000	-£	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	£4,500,000	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 OPDC for 2017-18 (line 98 col 3) is: £4,500,000

Part 8: The Greater London Authority ("GLA") Final Draft Consolidated council tax requirement calculations

NOTE: Amendments to the Final Draft Consolidated council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor's proposal	Budget amendment	Description
99	£804,779,495	£780,507,800	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 2017-18 (line 99 col 3) is:
£780,507,800**