

Background Statement in support of the Mayor's Draft Consolidated Budget for 2016-17

PART 1

Summary

This report presents the Mayor's Budget proposals for the Greater London Authority (GLA) and its functional bodies for the next financial year. The Budget is still in draft form and will be changed before being presented to the Assembly on 22 February as the Mayor's final budget.

1 Introduction

- 1.1 The budgetary process is to a large extent governed by the provisions of sections 85, 86 and 87 and Schedule 6 of the Greater London Authority Act 1999 ("the GLA Act").
- 1.2 The Mayor is required to determine consolidated and component council tax requirements for 2016-17 and it is these that the Assembly has the power to amend. The individual Mayor, Assembly and functional body council tax requirements are aggregated to form the consolidated council tax requirement for the GLA Group. This requirement forms the GLA Group precept which is part of the Council Tax bill for households across Greater London collected by the 33 "billing authorities" (the 32 boroughs and City of London Corporation). The arrangements for "Council Tax referenda", in the event that the GLA Group council tax requirement is deemed to be 'excessive' under Government rules, and the possible impact that would have on the council tax requirement setting process are set out in a separate accompanying document, Part III of this Budget.
- 1.3 The Mayor and the Assembly have a duty to prepare and approve for each financial year a 'component' budget for each of the seven "constituent bodies" within the GLA Group (that is, the Assembly, the Mayor, and each of the five functional bodies¹) and a 'consolidated budget' for the Authority for the Group. A "component budget" is defined as consisting of a statement of the amount of component council tax requirements for the constituent body concerned by applying "statutory calculations" under the relevant section of the GLA Act which give rise to this amount. Also, a "consolidated budget" must consist of statements of the amount of the Authority's consolidated council tax requirement for the Group, being the aggregate of the amount of the component council tax requirements for each constituent body.

¹ These are (1) the London Fire and Emergency Planning Authority (LFEPA), (2) the London Legacy Development Corporation (LLDC), (3) Mayor's Office for Policing and Crime (MOPAC), (4) the Old Oak and Park Royal Development Corporation (OPDC) and (5) Transport for London (TfL).

Draft Consolidated Budget for 2016-17

1.4 A summarised version of the budget setting process is as follows:

- (a) The Mayor must prepare for each financial year a budget for each of the seven constituent bodies and a consolidated budget for the GLA Group as a whole (this is the Authority's consolidated budget). For this purpose, the Mayor of London and London Assembly are treated as separate constituent bodies;
- (b) Before arriving at the final version of the budget, a draft of the budget for each component body will be the subject of consultation with the relevant body and the Assembly respectively. This stage has been done (see paragraph 3.1);
- (c) After preparation of those drafts, the Mayor is required to prepare a draft of his proposed consolidated budget for consultation with the Assembly. The Assembly had resolved that the Mayor should consult its Budget and Performance Committee. Such consultation has occurred and the Committee considered that document on 5, 7 and 12 January 2016. The Mayor is also required within the same timeframe to consult with other bodies or persons that he considered appropriate. This has also occurred (see paragraph 3.1).
- (d) The Mayor then determines a "draft consolidated budget" (which contains draft component budgets for the seven bodies) publishes it and presents it to the Assembly at a public meeting. The draft consolidated budget that has been determined for 2016-17 is attached to this statement. The Assembly must approve this budget with or without amendment. Amendments at this stage of the process can be made by a simple majority of Assembly Members voting (ignoring abstentions and absentees). If no amendments are made then the draft consolidated budget is deemed by law to have been approved without amendment.
- (e) The Mayor will then prepare and publish a final draft of his proposed consolidated budget ("final draft budget") for the next financial year. If the published final draft budget does not incorporate any amendments made by the Assembly at the previous stage, or is otherwise different to the previous draft consolidated budget, the Mayor must lay a written statement before the Assembly giving reasons.
- (f) The final draft budget must be considered at a public meeting of the Assembly and approved with or without amendment before the last day of February. Any amendment must at this stage be agreed by at least two thirds of the Assembly Members voting. If no amendments are made then the draft consolidated budget is deemed by law to have been approved without amendment. The resulting budget will be the approved consolidated budget for the financial year 2016-17.

1.5 Consequently, the Assembly must consider the draft consolidated budget presented for 2016-17 as attached. If no amendments are made, the draft consolidated budget shall be deemed to be approved. A simple majority of votes cast will amend the draft consolidated budget.

Draft Consolidated Budget for 2016-17

- 1.6 It should be noted that at the final budget stage if the Mayor presents a budget, or the Assembly amends the final draft budget, in such a way that it is not in compliance with the Government's "excessiveness principles" applying to the same financial year as the budget, then the Mayor or Assembly (as the case may be) must at the same time also prepare a "substitute budget" in compliance with those principles. Both budgets would be subject to a referendum of Council Tax payers across Greater London.

2 Documentation

- 2.1 Annex A to this statement presents the Mayor's draft consolidated budget for 2016-17 as defined in the GLA Act.
- 2.2 A separate accompanying document (Part II of the Budget) provides an explanation of the budget proposals. This is in the same format as the consultation paper summarising the draft budget and the precept requirement which was published on 21 December 2015. The last appendix to that document lists the changes that have been made to the consultation paper.
- 2.3 Another separate accompanying document (Part III of the Budget) provides financial and legal advice to the Mayor and Assembly, and this includes separate advice on the setting of the Assembly component budget.

3 Consultation Process and Responses

- 3.1 In addition to consulting the Assembly and the constituent functional bodies, in preparing his draft budget the Mayor must consult other bodies and may consult others as appear to him appropriate. The Mayor issued draft component budget proposals to each functional body for consultation and they were invited to respond by 27 November 2015. The budget consultation paper issued on 21 December has been widely circulated to each functional body, London borough councils, the Common Council of the City of London, London Councils and a range of business and representative organisations. It was also placed on the Greater London Authority website, enabling members of the public to make their comments. A summary of the responses and copies of all responses received are being made available to Assembly Members concurrently with this Budget.

4 The Mayor's Approach to Decision Making

- 4.1 The Mayor has a number of statutory functions that must be fulfilled on behalf of Londoners and reflected in a financially balanced budget. These include major responsibilities in respect of policing, transport, fire and emergency planning, economic regeneration, housing, planning, waste, culture and sport, health, sustainable development, energy, climate change, the environment and area regeneration through the Mayoral Development Corporations².

² There are two Mayoral Development Corporations: the London Legacy Development Corporation, and the Old Oak and Park Royal Development Corporation.

- 4.2 The Mayor also has a number of discretionary functions, in particular a general power to do anything to further the principal purposes of the Authority, i.e. promoting economic development and wealth creation, social development and the improvement of the environment in Greater London. In the exercise of his functions the Mayor also has to have due regard to his obligations under the public sector equality duty under the Equality Act 2010, including the need to eliminate discrimination, harassment and victimisation, and to promote equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, sex, disability, age, sexual orientation, religion or belief, gender reassignment, pregnancy or maternity), and those who do not.
- 4.3 To help fulfil these functions and responsibilities, but subject to the information available on future grant settlements, the budget development process is a key element of the planning framework and has an important purpose of ensuring there are sound medium term financial plans within which all Mayoral priorities and objectives are adequately funded, while recognising areas of risk and uncertainty will inevitably exist. This means ensuring that the estimates of income and expenditure (including appropriate consideration of the effects of inflation), Government funding, retained business rates and council tax are soundly based, with appropriate and sufficient reserves, paying due regard to professional and statutory guidance. This is reinforced by the Local Government Act 2003 which requires the Authority's Chief Finance Officer to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves.
- 4.4 A primary aim of the budget process is to provide a financially balanced budget, as a basis for an efficient and effective use of available resources. The aim is to secure a fair and reasonable balance between the discharge of obligatory and discretionary responsibilities for the provision of services and the financial burden upon those required to finance the net cost.
- 4.5 This approach was reflected in the Mayor's guidance for the preparation of budget submissions for 2016-17 and future plans which was issued to the GLA Group in July 2015. It has also been supplemented by additional guidance and through a series of meetings with the functional bodies and GLA officers to ensure the guidance remains valid and responsive to emerging needs and changing circumstances. The functional bodies and the Assembly's Budget and Performance Committee have also played a major role in the preparation and scrutiny of budget proposals.

5 The Local Government, Fire and Police Finance Regime

- 5.1 For 2016-17 the GLA is due to receive some £1.4 billion of business rates income of which around £358.6 million will be paid to the Government as a fixed tariff payment and £9.4m as a levy on growth, with the balance used to fund services across the GLA Group. This regime allows the GLA scope to retain some of the growth in business rates in London. Details of these changes and their impact on the budget calculations are set out at Appendix H of Part II.
- 5.2 Although the introduction of retained business rates allows authorities to share in the growth in their areas, it also leads to increased uncertainty in the setting of the GLA's budget. The Authority awaits returns from billing authorities setting out their localised Council Tax Support schemes, council taxbases and forecasts for collectable business rates in 2016-17 and collection fund surplus or deficit estimates for 2015-16 which will change the final precept calculations.

Draft Consolidated Budget for 2016-17

- 5.3 The GLA is now more vulnerable to volatility in business rates revenues (including the Crossrail BRS) as a result of the new regime. For business rates retention the Authority has to meet the first £74 million of any loss of income relative to its baseline funding position before additional protection is provided by central government through the safety net – this equates to 7.5 per cent of the notional uprated baseline funding for the GLA in respect of retained rates as set out in the 2016-17 provisional local government finance settlement. The Mayor's Resilience Reserve provides provision to help manage these risks and the position will be monitored closely. The Mayor's Resilience Reserve must be maintained at a sufficiently high level to manage these needs.
- 5.4 The provisional 2016-17 Local Government Finance and Fire Settlement was published on 17 December and is subject to a four week consultation process which ended on 15 January. The settlement confirmed the provisional allocations of revenue support grant for English local and fire authorities for 2016-17 with indicative allocations for the next three years 2017-18, 2018-19 and 2019-20. To qualify for these future years' figures the GLA will need to set out its efficiency plans.
- 5.5 The GLA Group's provisional revenue support grant for 2016-17 is £168.1 million which is £5.6 million lower in cash terms than the corresponding figure for 2015-16 of £173.7 million. However this figure includes the 2015-16 council tax freeze grant of £9.5 million which has been added into revenue support grant from 2016-17 and therefore the like for like reduction in grant is £15.1 million or 8 per cent. Of the total revenue support grant allocation £128.5 million has been allocated to LFEPA, £2.5 million to the Assembly, £10.0 million to the GLA and £27.1 million to MOPAC.
- 5.6 On 17 December the Home Office confirmed the general grant allocations for 2016-17 for Police and Crime Commissioners in England, for the Mayor's Office for Policing and Crime and the City of London Police. This included the police formula grant and general police grant allocations along with council tax support funding for local policing bodies and for MOPAC and the City of London police their National and International Capital City (NICC) allocations.
- 5.7 MOPAC has been allocated general police grant of £1,904.6 million in 2016-17 comprising £861.5 million of core grant, £749.8 million of former CLG formula grant, £119.7 million in council tax benefit legacy grant and £173.6 million in NICC funding. In addition as set out above, the Mayor has allocated £27.1 million of revenue support grant to MOPAC in respect of council tax freeze grant funding rolled into the baseline.
- 5.8 In the Spending Review the Department for Transport confirmed TfL's general (operating) grant for 2016-17 to 2018-19 alongside a longer term commitment to 2020-21 in respect of the investment grant element of its funding. This budget assumes that £435.7 million of general (operating) GLA Transport grant will be received for the purposes of TfL in 2016-17. This is £240 million lower than the comparable grant for 2015-16.

Consolidated Council Tax Requirement

- 5.9 On 21 December 2015 the Mayor issued his Budget Consultation Document for 2016-17. More detail is contained in the accompanying explanatory document (Part II of the budget) and in the reports relating to draft budget and business plan proposals considered by the functional bodies and the Assembly's Budget and Performance Committee during the course of the year.

Draft Consolidated Budget for 2016-17

- 5.10 The Mayor's proposed consolidated council tax requirement has not changed from the Budget Consultation Document. The Mayor is therefore proposing a reduction in the Band D Council Tax of 6.4 per cent from £295.00 to £276.00 in 2016-17.
- 5.11 Once final returns are made at the end of January by the 33 billing authorities in London in respect of their retained business rates forecasts and council tax bases for 2016-17 and collection fund surpluses and deficit for 2015-16, there will be changes to the precept calculations. These will be reflected in the Mayor's final draft budget for 2016-17.
- 5.12 The Mayor's financial planning guidelines in his budget guidance reflected the nature and specific circumstances of each member of the GLA Group. Changes in the component amounts for each functional body are not uniform, reflecting their different funding settlements from Government and the new financial regime introduced in 2013-14. The Mayor has decided to continue to passport notional shares of retained business rates to functional bodies (LFEPA and TfL) and the GLA (Assembly) for 2016-17.
- 5.13 The Mayor's 2016-17 budget proposes significant efficiencies and savings across the Group arising from the changes in Government funding. However, the Budget also allows significant capital investment in London's housing and transport infrastructure and to deliver the Olympic Legacy.

Mayor of London

- 5.14 Except for activities prescribed by the GLA Act as falling within the component budget for the Assembly, the budget for the Mayor of London covers all of the GLA's activities.
- 5.15 The GLA is required to determine a separate council tax requirement for each of the Mayor and the Assembly. This means that the GLA's grant funding and retained business rates must be apportioned between the Mayor and Assembly. The combined council tax requirement for the GLA for 2016-17 is £51.4 million, comprising £48.8 million for the Mayor - £43.2 million excluding the forecast collection fund surplus for 2015-16 - and £2.6 million for the Assembly. The methodology used to calculate this is set out in Part II of the Budget. Set out below are the main elements of the GLA (Mayor's) budget for 2016-17.
- 5.16 In May 2015 the GLA published a refreshed business plan covering the period from 2015-16 to 2016-17, and the proposed budget reflects this continuity, albeit against a background of uncertainties and a desire not to unnecessarily constrain a new Mayor, who will set his or her own priorities following the Mayoral Election in May 2016 and require the resources to implement them. Indeed for all new investments and programmes currently being approved and commissioned, officers are ensuring that appropriate break clauses are put in place in order not to fetter the powers of the future Mayor.
- 5.17 The overarching theme of the budget is ensuring that every penny of taxpayers' money delivers value for money. The GLA's two key priorities, which are reflected in the Mayor's budget are to:
- First secure jobs and growth for the capital, ensuring that wherever possible the GLA programmes and initiatives help create or support jobs and strengthen London's economy across all boroughs; and

Draft Consolidated Budget for 2016-17

- Secondly increasing the supply of housing for Londoners: finding every way possible for hard-working Londoners to access high quality affordable housing.

5.18 The budget will support the Mayor's ambitions in:

- Strengthening local economies through the Mayor's regeneration funds and a focus on London's high streets;
- Giving talented young Londoners the opportunity to contribute to London's success by supporting and creating apprenticeship opportunities;
- Using the GLA's planning powers and significant land holdings to stimulate regeneration and create jobs and homes;
- Increasing the supply of affordable homes and identify new and better approaches to increasing housing supply such as the creation of Housing Zones;
- Tackling rough sleeping, with the aim that no-one spends a second night out nor lives on the streets;
- Driving up standards in London's schools, boosting attainment and giving every child the platform they need to succeed;
- Retrofitting, to increase the environmental efficiency of more of London's homes and public sector workplaces, saving carbon and cutting bills;
- Launching Licence Lite – the granting of a junior electricity supply licence by OFGEM to enable the GLA to become an operational licenced energy supplier to stimulate the development of energy generation schemes in London;
- Working with stakeholders to deliver more local energy generation projects for a lower cost, more secure and lower carbon energy supply for London;
- Working to make London greener and cleaner, and continuing to improve London's air quality through developing plans for the Ultra-Low Emission Zone and through the Mayor's Air Quality Fund;
- Building on the London 2012 sporting legacy further by continuing to attract major international sports events to London and further boost sport at the grassroots level;
- Helping and encouraging Londoners to volunteer and do something great for their city;
- Enhancing London's cultural capital and delivering a diverse programme of events to create economic value, excite and put London in the world's spotlight;
- Presenting London's case to Government and internationally as the world's destination for investment, tourism and talent.

5.19 The London Enterprise Panel (LEP) is the body through which the Mayor works to take a strategic view of the regeneration, housing, skills and other social or environmental investments required.

5.20 This budget includes the continued delivery of new Regeneration programmes totalling around £418 million launched over my administration . These programmes have included current and future expenditure on Further Education of £158 million, the Growing Places Fund of £111 million, the Mayor's Regeneration Fund of £70 million and the Outer London Fund of £50 million.

Draft Consolidated Budget for 2016-17

- 5.21 The £20m London Regeneration Fund will breathe new life into London's high streets and places of work. The aim is to make the most of the city's wealth of talent in creativity and technology. Currently going through competitive bidding, the London Regeneration Fund will give local authorities, traders' associations, workspace providers, and community groups the chance to implement exciting proposals that will help new and traditional places of work thrive in a rapidly changing city
- 5.22 The LEP (to which the Government has given strategic responsibilities in respect of European Union funds) has also been awarded 745 million euros to invest in boosting jobs and growth in London. The new 2014-20 EU programmes were launched last year.
- 5.23 The GLA's Capital Programme confirms that the Mayor is on track to complete his key affordable housing pledge of 100,000 affordable homes across two Mayoral terms, with almost 97,000 completed to the end of December 2015. The Budget supports innovative approaches to unlocking and accelerating housing supply, including the designation of twenty Housing Zones which will see 53,000 homes built and unlock £21.6 billion of investment. Due to the success of the current programme the Mayor has announced his intention to create a further 10 Housing Zones. Management of the GLA's 635 hectare estate and the acceleration of the development and release of assets for housing and economic growth also support delivery of housing across London. Although allocations against the London Housing Bank programme are presently below budget, there is growing interest in this programme.
- 5.24 In the light of the national commitment to create three million apprenticeships by 2020, the GLA's budget continues to prioritise this area. However, huge changes are expected in the Apprenticeship levy, which will raise £2.5 billion to be spent on apprenticeships in England, and the Skills Funding Agency, as the main funder of apprenticeships to date, is expected to undergo extensive changes. Against this context, the GLA is looking into the most effective way to encourage opportunities in London.
- 5.25 The budget supports a number of new ESF supported programmes. Stepping Stones will help pupils at risk to make a successful transition to secondary school, improving attendance, behaviour and educational achievements. The Youth Innovation Fund will pilot projects to support NEET (Not in Employment, Education or Training) young people into sustained education and employment.
- 5.26 The Mayor's Education Inquiry showed that improving the quality of teaching is the best way to improve children's attainment at school and can help narrow the gap in learning outcomes. In 2016-17, the budget will continue to support the delivery of excellent teaching in all London schools by investing in teaching skills and subject knowledge, in turn improving outcomes from pupils.
- 5.27 The investment in the capital's creative industries – through the funding of Film London, the London Design Festival and the London Fashion Week, amongst others – continues to bring in substantial investment, and jobs, to the city.
- 5.28 The 2016-17 Budget continues to support the Mayor's environmental policies. Between 2008 and 2013 London's carbon emissions have decreased by 14 per cent. After allowing for London's population increase, per capita emissions have decreased by 20 per cent. Through the RE:LEAF partnership the Mayor has supported the planting of over 400,000 trees across the capital since 2011.

Draft Consolidated Budget for 2016-17

- 5.29 The biggest single component of the GLA's Budget is the financing costs of its £4.1 billion contribution to the costs of Crossrail 1. These costs at £115.3 million in 2016-17 are fully met by the Business Rate Supplement the Mayor levies on larger business premises across London.
- 5.30 Although the 2016-17 Budget reflects the reduction in the payment required to the Department of Culture and Sport (DCMS) for the Olympic and Paralympic Games, it maintains the GLA's contributions to London and Partners and the Museum of London. The GLA's Budget also includes provision to support the LLDC and OPDC which are described in more detail in separate sections below.
- 5.31 In summary, the GLA's investment proposals represent the current estimate of continuing approved policies and programmes. This reflects the objective to not unnecessarily constrain a new Mayor. Notwithstanding the potential usage of the balance of the 'Olympic precept', from 2017-19 approximately £11.5 million of unallocated revenue funding becomes available to a new Mayor in each year.

London Assembly

- 5.32 The component budget for the Assembly reflects its current staffing establishment, approved levels of Member and group support and approved policies. It includes efficiencies of £0.1 million in 2016-17. The Assembly's net expenditure is £7.2 million in 2016-17. The Assembly's council tax requirement – net of its apportioned share of the provisional revenue support grant and retained business rates – is £2.6 million.

Mayor's Office for Policing and Crime (MOPAC)

- 5.33 The component budget for Mayor's Office for Policing and Crime includes the functions of the Metropolitan Police Service (MPS). The Mayor's Police and Crime Plan sets out the Mayor's strategy for tackling crime and making London safer over a four year period (2013-2016). The Plan includes the 20-20-20 Challenge to cut seven priority high impact, high volume, neighbourhood crimes by 20 per cent, boost public confidence in the MPS by 20 per cent – to help the police improve their connection with Londoners – while making 20 per cent savings in the MPS.
- 5.34 MOPAC remain on target to meet the 20 per cent reduction in neighbourhood crime by the end of the Crime Plan period. Public confidence and overall satisfaction in the service has increased. Costs have been cut by over 20 per cent whilst maintaining the Mayor's target strength of 32,000 officers.
- 5.35 MOPAC's Reduce, Release, Reform programme is enabling the transformation of the MPS into a truly 21st Century crime-fighting force and has:
- Increased the percentage of officers on frontline from 42.3 per cent in March 2013 to 54.1 per cent in September 2015;
 - Put 2,600 additional officers into neighbourhoods;
 - Launched the largest rollout of body-worn video technology in any city in the world, with 22,000 cameras rolling out to MPS officers;
 - Made the Met today more diverse than at any other time in its history;

Draft Consolidated Budget for 2016-17

- Invested in specialist police teams, such as FALCON, a team of 300 officers dedicated to tackling online crime;
- Reformed the back office, including a £216 million deal to outsource support services, relocating this service outside London to reduce administrative costs and maximise value for public money, saving an average £10 million per annum;
- Released old and underused police stations – the infrastructure of the past – and using the £1 billion of proceeds to invest in a 21st century police estate and digital policing; and
- Increased victim satisfaction with the ease of contacting the MPS to a record high of 94 per cent.

5.36 The Mayor is increasing MOPAC's 2016-17 revenue budget by some £46 million or by just over 1 per cent. This increase in resources reflects the Spending Review announcement by the Government but the increase in resources to MOPAC is achieved without the Mayor increasing MOPAC's precept. This Budget allows MOPAC to continue to invest in transformation across the MPS whilst prioritising investment in the front line, including the commitment for one PC and one PCSO in each ward.

5.37 However, there is still much work to be done in reforming the MPS. MOPAC is still estimating that savings of some £35 million are required to be made in 2017-18 and £67 million in 2018-19. There are still back office areas that can deliver savings and these will be carried out to further drive transformation. MOPAC have embarked on an ambitious programme of reform and this will help deal with the continuing pressures on costs.

5.38 By continuing to streamline and reform the MPS, the Mayor's Budget allows the maintenance of neighbourhood teams, officer numbers to be kept high, the fight against terrorism to be sustained, crime to be reduced and London to be kept safe.

London Fire and Emergency Planning Authority (LFEPA)

5.39 LFEPA's key priorities are set out in the Fifth London Safety Plan (LSP5). It outlines a wide range of policies and measures which are intended to improve the safety of Londoners. Among other things, it includes plans to reduce fires amongst vulnerable groups, such as those living in sheltered housing; to lobby for the wider use of sprinklers; to introduce charges for repeat false fire alarm call outs; and to continue to carry out thousands of home fire safety visits each year.

5.40 Targets that will remain constant throughout the life of the plan are for London Fire Brigade to always get to an emergency incident as quickly as possible on each and every occasion; to get the first fire engine to an incident within an average of six minutes; to get the second fire engine to an incident within an average of eight minutes and to get a fire engine anywhere in London within 12 minutes on 95 per cent of occasions. The first and second response targets are amongst the fastest target response times of any emergency service in the country and almost twice as fast as some other fire brigades.

- 5.41 With the implementation of LSP5, the Mayor has committed to provide funding to LFEPA to avoid the need for any further major frontline realignment over the lifetime of LSP5 from 2013-17. However, despite this support LFEPA has had to make additional savings and efficiencies in 2016-17 of £5.1 million with a further £6.4 million needing to be proposed to balance its budget in 2016-17. Two options to close this gap are currently out for Consultation. Further, on the basis of assumptions made by the Mayor in this Budget, additional savings and efficiencies are estimated to be required to be made of £17.6 million by 2017-18 and £25.1 million by 2018-19. The Mayor's draft consolidated budget reflects the additional £2.8 million of funding LFEPA has identified in 2016-17 since the Mayor's Budget Consultation Document was issued. An update will be provided in the Mayor's final draft budget in February.
- 5.42 LFEPA unanimously agreed to defer detailed consideration of LSP6 on the basis that the work would be better undertaken after a new Mayor is in place and it would allow the new Commissioner to have an input. In the light of the overall level of resources a new Mayor might make available to LFEPA, LSP6 provides an opportunity to look at the way the service might be re-configured.

Transport for London (TfL)

- 5.43 As the Capital's population and economy continue to grow, there has never been more pressure on London's transport network. However, due to the continuing investment in our transport infrastructure, we now have the most reliable metro system in Europe, the most accessible bus fleet in the world, safer road layouts and an orbital rail system, with London Overground integrated with the rest of the network.
- 5.44 The key deliverables over the next decade include:
- Investing £200 million in bus priority schemes; £913 million in cycling; and £4 billion in roads;
 - Making 95 per cent of all bus stops in London accessible by 2017;
 - Delivering 800 New Routemaster buses by 2016;
 - Reducing the number of people killed or seriously injured on London's roads by 40 per cent by 2020;
 - Introducing a new 24-hour Tube service at weekends in 2016; and
 - Continuing to deliver Crossrail, which will transform rail capacity and journey times and deliver the Northern Line Extension.
- 5.45 TfL exists to keep London working and growing and make life in London better. Transport is a key driver of economic growth, jobs, new housing and development. The Mayor believes it is right that TfL's budget should be used to unlock jobs and homes, and meeting the needs of a growing world city.

Draft Consolidated Budget for 2016-17

- 5.46 The Government has recognised the importance of transport in London, not least by maintaining funding for TfL's long term capital investment programme and continued commitment to delivering Crossrail 2. Overall London's settlement sought to strike a balance across various demands for funding all of which relate to considerable strategic challenges and are vitally important to Londoners. In light of these pressures, TfL continues to seek out savings and increase income from other sources. The Mayor has continually challenged TfL to become more efficient and by 2019 London will be the only major European city transport network not to require an operational subsidy.
- 5.47 Alongside all these improvements, the Mayor has continued to bear down on fares. Fares in 2016 will on average rise by inflation, rather than TfL's long-term assumption of RPI plus one per cent. The Mayor will continue to offer much needed concessions to those who most need them. Hundreds of thousands of families across London are set to benefit from making all National Rail services in London free for Zip photocard holders who are under 11 years old.
- 5.48 Nevertheless, the Spending Review presents an immediate challenge to TfL's operations, with overall resources available reducing by some £2.8 billion over the five year period to 2020-21. Some of this will be mitigated through additional savings and efficiencies. But, TfL recognise that a new approach is needed to successfully meet these challenges.
- 5.49 In view of the scale of the Spending Review reductions, TfL are currently reviewing their spending plans and will publish a revised Business Plan incorporating the impact of their Settlement in March 2016.

London Legacy Development Corporation (LLDC)

- 5.50 The London Legacy Development Corporation is driving the legacy of the London Olympic and Paralympic Games to transform the lives of east Londoners. Queen Elizabeth Olympic Park is at the heart of a dynamic new east London where this once in a lifetime opportunity is creating opportunities for local people and driving innovation and growth across the city and the UK. It will also be home to more than 10,000 new households by 2030.
- 5.51 The Mayor's 2016-17 component budget for the LLDC provides the funding to progress the development of Olympicopolis, a world class new cultural, scientific and educational quarter in Queen Elizabeth Olympic Park that will bring together outstanding organisations to showcase arts, dance, history, craft, science, technology and cutting edge design. The Government has pledged £152 million to the project with further income coming from partner institutions, the GLA, LLDC and philanthropic donations.
- 5.52 Olympicopolis is expected to deliver 3,000 new jobs, 1.5 million additional visitors and £2.8 billion of economic value to Stratford and the surrounding area. UCL East will be the site of a new university campus for University College London (UCL), while Stratford Waterfront features a new campus for the UAL's London College of Fashion, along with major new spaces for the Victoria and Albert Museum and Sadler's Wells.
- 5.53 The Mayor's Budget for 2016-17 will enable the successful operation of the Park and its venues and enable the hosting of major sporting events, including UCI Track Cycling, European Aquatics Championships, World Track Cycling Championships, Women's Champions Hockey Trophy, Sport Relief and Diamond League athletics.

Draft Consolidated Budget for 2016-17

- 5.54 The Mayor's Budget ensures that LLDC is provided with sufficient funds for its capital expenditure requirements in advance of the capital receipts that will be generated from its activities. LLDC is estimated to require an ongoing capital subsidy up to 2020-21 at which point it is expected to start generating a surplus.

Old Oak and Park Royal Development Corporation (OPDC)

- 5.55 A new Mayoral Development Corporation (MDC) for 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, using its planning and regeneration powers, will ensure that all these benefits are captured and maximised to deliver much needed jobs and homes in London. As the OPDC is a functional body of the GLA under the GLA Act it is required to have its own approved component budget and council tax requirement (if any).
- 5.56 The Mayor's Budget provides funding to meet the existing running costs of OPDC in 2016-17 and future years. Given the early stage of the Corporation's existence and the embryonic and ongoing discussions with government regarding the Old Oak and Park Royal growth strategy there remains a degree of uncertainty about the level of support that will be required for OPDC in 2016-17 and in future years.

Future Years

- 5.57 The Mayor has issued further details of the prospects for the GLA Group for future years (Appendices H and I of Part II the budget). It is important to recognise the caveats and limitations set out in this analysis.

6 The Impact on Local Taxpayers

- 6.1 In deciding on the proposed spending plans across the GLA group of £16.2 billion gross the key priorities have been to invest in London's infrastructure whilst reducing the level of the GLA Group's Council Tax precept. By April 2016, the precept will have fallen in real terms by some 28 per cent since May 2008.
- 6.2 The sustained investment in capital expenditure overall across the Group allowing for the progress of the Crossrail project whilst reducing the precept, has been largely achieved by the Mayor securing a favourable London Settlement and making identified incremental savings and efficiencies of over £299.3 million in 2016-17, with £246.4 million of additional savings to be identified.
- 6.3 Subject to certain key financial information being confirmed, the Mayor's budget requires a Band D Council Tax of £276.00 for 2016-17 in the London boroughs, including £69.21 in the area of the Common Council of the City of London. These Band D amounts are provisionally estimated to generate £756.5 million in council tax revenues although this sum will change once the council tax bases and collection fund surpluses for 2016-17 and 2015-16 respectively are confirmed by billing authorities at the end of January 2016.

Capital Spending

- 6.4 The Mayor published his Draft Capital Spending Plan for consultation on 21 December 2015, as part of the Budget Consultation Document (Section 9). Proposed capital spending across the GLA Group totals £4.8 billion, the largest elements relating to housing and transport investment by the GLA and TfL. The estimated capital financing cost of the total Capital Programme is £688.8 million in 2016-17 of which £648.2 million relates to interest payments on borrowing across the group. Details are set out in section 9 and the relevant Appendices of Part II to the draft budget. The proposed programme of capital spending is reflected fully in these budget proposals.

Council Tax Referendums

- 6.5 Under chapter 4ZA of the Local Government Finance Act 1992, (replacing the previous “council tax capping” regime) there is provision for the holding of referendums by billing authorities if either of the two calculations of the GLA’s relevant basic amount of council tax (for the City of London and for elsewhere in Greater London) is “excessive” under principles proposed by the Secretary of State and approved by the House of Commons for the forthcoming financial year.
- The excessiveness principles for 2016-17 are likely to be approved by the House of Commons in early February 2016. The Secretary of State has announced that a council tax increase (which includes a precept increase) will be excessive in 2016-17 if it is 2 per cent or more. The GLA is under a duty to determine whether either of its two “relevant basic amounts of council tax” is excessive with regard to those approved principles;
 - The excessiveness principles refer, in the context of the GLA, to the two relevant basic amounts of council tax (based on Band D) and these must be determined as part of the budget calculations: (1) the “adjusted” relevant basic amount of council tax which applies throughout Greater London outside the City of London (i.e. in the 32 London boroughs), and reflects that area’s funding of the Metropolitan Police Service through MOPAC; and (2) the “unadjusted” relevant basic amount of council tax which applies within the area of the City of London only, and reflects the fact that local council taxpayers in the City do not fund MOPAC (as the City of London Police provides local policing services there using funding provided by the City Corporation including from its local council tax).
 - If either or both figures do not comply with the excessiveness principles, then the component and consolidated budgets, and council tax requirements that give rise to them, are considered “excessive”, with the consequences set out below.
 - If the final draft budget does not comply with these “excessiveness principles” then the Mayor must also prepare and present a “substitute final draft budget” alongside the (excessive) final draft budget prepared and presented to the Assembly.
 - In the event that the final draft budget is approved (with or without amendment) in a form where it is “excessive” then the Assembly must also approve the (non-excessive) substitute final draft budget.

Draft Consolidated Budget for 2016-17

- Both budgets are then submitted to a referendum of local government electors across the whole of Greater London irrespective of which of the two relevant basic amount of council tax calculations is excessive.
- Such a referendum is normally to be held on the first Thursday in May, and from the point when the GLA precept is issued to the result of the referendum, billing authorities across Greater London (the boroughs) are not permitted to pay any precept to the GLA. Any referendum on an excessive council tax increase for the GLA in respect of its 2016-17 budget would take place therefore on the same day as the GLA Elections scheduled for Thursday 5th May.

7 Conclusions

- 7.1 In considering the Mayor's budget proposals and any amendments they wish to make at this stage, Assembly Members must also consider the need to secure a financially balanced budget and achieve a balance between the statutory and discretionary responsibilities for the provision of services and the burden upon those required to finance the net cost.
- 7.2 In commending the budget proposals to the Assembly the Mayor believes that Londoners recognise and support his plans to reduce the GLA Group's share of the council tax for the fifth year running while continuing to maintain and invest in public services in London.
- 7.3 The Mayor is satisfied that he has weighed respective interests fairly and that his reduction in the Council Tax will not adversely affect the front line service delivery of his statutory and discretionary responsibilities. The Mayor believes that the proposals will make a significant contribution to improving Londoners' quality of life and supporting London's economy.

8 Recommendations

- 8.1 On the basis of the information set out in this statement and accompanying documents, that the Assembly approves, without amendment, the Mayor's draft consolidated budget and the GLA Group council tax requirement for the GLA and the functional bodies of **£756,528,956** as contained in **Annex A**.
- 8.2 The council tax requirement is after applying the GLA's share of the net surplus or deficit on the collection funds of the 33 billing authorities (assumed at this stage to be a £5.6 million surplus in respect of council tax and a £72.5 million deficit in respect of retained business rates) which falls within the component budget for the Mayor of London for the purpose of these statutory calculations under sections 85 to 88 of the GLA Act. The Gross expenditure figures reported in part 2 of the draft budget for the GLA (Mayor and Assembly) and each functional body exclude estimated reserves to be raised for meeting future expenditure under s85(4)(c) of the GLA Act as by definition the entries in these lines do not represent revenue expenditure to be incurred in 2016-17.

Draft Consolidated Budget for 2016-17

8.2 This draft consolidated council tax requirement is made up as follows:

<i>Constituent body</i>	<i>Component council tax requirement</i>
Mayor of London	£43,181,647
London Assembly	£2,615,000
Mayor's Office for Policing and Crime	£566,494,309
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	£NIL
Total Consolidated Council Tax Requirement	£756,528,956

Boris Johnson

Mayor of London

Draft component and consolidated council tax requirements 2016-17

Greater London Authority: Mayor of London ("Mayor") draft component budget

Line	Sum	Description
1	£619,260,000	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
2	£2,800,000	estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act
3	£0	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act
4	£72,493,489	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	£694,553,489	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	-£506,225,613	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	-£4,600,000	estimate of the Mayor's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
8	-£9,961,097	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	-£95,845,132	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	-£5,600,000	estimate of the Mayor's share of any net collection fund surplus for the 33 London billing authorities for council tax calculated in accordance with s85(5)(a) of the GLA Act
11	-£622,231,842	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	-£29,140,000	estimate of Mayor's reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act
13	-£651,371,842	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	£43,181,647	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 draft component council tax requirement for the Mayor for 2016-17 is £43,181,647

Draft Consolidated Budget for 2016-17

Greater London Authority: London Assembly ("Assembly") draft component budget

Line	Sum	Description
15	£7,646,000	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	£7,646,000	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	-£400,000	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	-£2,531,000	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	-£2,100,000	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		estimate of the Assembly's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
25	-£5,031,000	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	-£5,031,000	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	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 draft component council tax requirement for the Assembly for 2016-17 is £2,615,000.

Draft Consolidated Budget for 2016-17

Mayor's Office for Policing and Crime ("MOPAC") draft component budget

Line	Sum	Description
29	£3,252,790,309	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	£3,252,790,309	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	-£257,660,000	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	-£374,636,000	estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£1,931,700,000	estimate of the MOPAC's income in respect of general government grants (revenue support grant, core Home Office police grant and principal police formula grant) calculated in accordance with s85(5)(a) of the GLA Act
37	£0	estimate of the MOPAC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
38	£0	estimate of MOPAC's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
39	-£2,563,996,000	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	-£122,300,000	estimate of MOPAC's reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act
41	-£2,686,296,000	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	£566,494,309	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 draft component council tax requirement for the MOPAC for 2016-17 is £566,494,309.

Draft Consolidated Budget for 2016-17

London Fire and Emergency Planning Authority ("LFEPA") draft component budget

Line	Sum	Description
43	£425,160,000	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	£2,800,000	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	£427,960,000	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	-£32,600,000	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	-£12,800,000	estimate of LFEPA's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
50	-£128,530,000	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	-£115,659,936	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 collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
53	-£289,589,936	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	-£132,064	estimate of LFEPA's reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act
55	-£289,722,000	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 draft component council tax requirement for LFEPA for 2016-17 is £138,238,000.

Draft Consolidated Budget for 2016-17

Transport for London ("TfL") draft component budget

Line	Sum	Description
57	£6,964,208,000	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	£75,845,000	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	£7,040,053,000	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	-£5,713,954,856	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	-£30,100,000	estimate of TfL's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
64	-£435,700,000	estimate of TfL's income in respect of general government grants (revenue support grant and GLA Transport General Grant) calculated in accordance with s85(5)(a) of the GLA Act
65	-£854,298,144	estimate of TfL's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
66	£0	estimate of TfL's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
67	-£7,034,053,000	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	-£7,034,053,000	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 draft component council tax requirement for TfL for 2016-17 is £6,000,000.

Draft Consolidated Budget for 2016-17

London Legacy Development Corporation ("LLDC") draft component budget

Line	Sum	Description
71	£40,050,000	estimated expenditure of LLDC for the year calculated in accordance with s85(4)(a) of the GLA Act
72	£750,000	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	£40,800,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LLDC (lines (71) + (72) + (73) + (74) above)
76	-£32,900,000	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	£0	estimate of LLDC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
80	£0	estimate of LLDC's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
81	-£32,900,000	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	-£7,900,000	estimate of LLDC's reserves to be used in meeting amounts in line 75 above under s85(5)(b) of the GLA Act
83	-£40,800,000	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 draft component council tax requirement for the LLDC for 2016-17 is £0.

Draft Consolidated Budget for 2016-17

Old Oak and Park Royal Development Corporation ("OPDC") draft component budget

Line	Sum	Description
85	£5,500,000	estimated expenditure of OPDC for the year calculated in accordance with s85(4)(a) of the GLA Act
86	£0	estimated allowance for contingencies for OPDC under s85(4)(b) of the GLA Act
87	£0	estimated reserves to be raised for meeting future expenditure of OPDC under s85(4)(c) of the GLA Act
88	£0	estimate of reserves to meet a revenue account deficit of OPDC under s85(4)(d) of the GLA Act
89	£5,500,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for OPDC (lines (85) + (86) + (87) + (88) above)
90	-£5,500,000	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	£0	estimate of OPDC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
94	£0	estimate of OPDC's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
95	-£5,500,000	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (90) + (91) + (92) + (93) + (94))
96	-£0	estimate of OPDC's reserves to be used in meeting amounts in line 89 above under s85(5)(b) of the GLA Act
97	-£5,500,000	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for OPDC (lines (95) + (96) above)
98	£0	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 draft component council tax requirement for the OPDC for 2016-17 is £0.

Draft Consolidated Budget for 2016-17

Greater London Authority (“GLA”) draft consolidated council tax requirement calculation incorporating the component council tax requirements for the Greater London Authority (Mayor), Greater London Authority (Assembly), the Mayor’s Office for Policing and Crime (MOPAC), the London Fire and Emergency Planning Authority (LFEPA), Transport for London (TfL), the London Legacy Development Corporation (LLDC) and the Old Oak and Park Royal Development Corporation (OPDC).

Line		Description
99	£756,528,956	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 draft consolidated council tax requirement for the GLA for 2016-17 is £756,528,956

Aggregate GLA Group budget for 2016-17

Estimated Expenditure

£	GLA Mayor	GLA Assembly	MOPAC	LFEPA	TfL	LLDC	OPDC	Total
Estimated expenditure	£619,260,000	£7,646,000	£3,252,790,309	£425,160,000	£6,964,208,000	£40,050,000	£5,500,000	£11,314,614,309
Estimated allowance for contingencies	£2,800,000	£0	£0	£0	£0	£750,000	£0	£3,550,000
Estimated reserves to be raised for meeting future expenditure	£0	£0	£0	£2,800,000	£75,845,000	£0	£0	£78,645,000
Estimate of reserves to meet a revenue account deficit including forecast collection fund deficit for retained business rates	£72,493,489	£0	£0	£0	£0	£0	£0	£72,493,489
Estimated total expenditure	£694,553,489	£7,646,000	£3,252,790,309	£427,960,000	£7,040,053,000	£40,800,000	£5,500,000	£11,469,302,798

Estimated Income and Calculation of Council Tax Requirement

£	GLA Mayor	GLA Assembly	MOPAC	LFEPA	TfL	LLDC	OPDC	Total
Estimate of non government grant income	-£506,225,613	-£400,000	-£257,660,000	-£32,600,000	-£5,713,954,856	-£32,900,000	-£5,500,000	-£6,549,240,469
Estimate of specific government grant income	-£4,600,000	£0	-£374,636,000	-£12,800,000	-£30,100,000	£0	£0	-£422,136,000
Estimate of general government grant income	-£9,961,097	-£2,531,000	-£1,931,700,000	-£128,530,000	-£435,700,000	£0	£0	-£2,508,422,097
Estimate of Retained Business Rates income	-£95,845,132	-£2,100,000	£0	-£115,659,936	-£854,298,144	£0	£0	-£1,067,903,212
Collection fund surplus for council tax	-£5,600,000	£0	£0	£0	£0	£0	£0	-£5,600,000
Estimated total income before use of reserves	-£622,231,842	-£5,031,000	-£2,563,996,000	-£289,589,936	-£7,034,053,000	-£32,900,000	-£5,500,000	-£10,553,301,778
Estimate of reserves to be used	-£29,140,000	£0	-£122,300,000	-£132,064	£0	-£7,900,000	£0	-£159,472,064
Estimated total income after use of reserves	-£651,371,842	-£5,031,000	-£2,686,296,000	-£289,722,000	-£7,034,053,000	-£40,800,000	-£5,500,000	-£10,712,773,842
Council tax requirement	£43,181,647	£2,615,000	£566,494,309	£138,238,000	£6,000,000	£0	£0	£756,528,956
COUNCIL TAXBASE	2,745,768.64	2,745,768.64	2,739,466.65	2,745,768.64	2,745,768.64	2,745,768.64	2,745,768.64	
BAND D COUNCIL TAX	£15.72	£0.95	£206.79	£50.35	£2.19	£0.00	£0.00	£276.00