

# **Report to the Assembly on the Mayor's Draft Consolidated Budget for 2011 – 2012**

**Report to:** London Assembly

**Date:** 10<sup>th</sup> February 2011

**Report of:** Conservative Group

**Proposed by:** Gareth Bacon

**Seconded by:** Roger Evans

## **PART A: INTRODUCTION & COMMENTARY<sup>1</sup>**

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<sup>1</sup> 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.

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# **Conservative Alternative Greater London Authority Budget**

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2011 – 2012

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**By the London Assembly Conservative Group:**

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**February 2011**

## Introduction

The Conservative Assembly Group is producing its second alternative budget under a Conservative Mayor and administration in City Hall. Whereas under the previous administration we proposed wide-ranging alterations across all of the GLA Group to hold the Council Tax precept down to a more reasonable and realistic level in the face of a Mayor keen to squeeze every penny out Londoners, we now have in Boris Johnson a far more responsible Mayor who is pressing down on costs across all the functional bodies and favouring a more realistic budget than his predecessor.

We welcome the freeze in the precept for an unprecedented third year running. By doing so the Mayor is able to take advantage of the Governments promise to pay 2.5% of budget to any local authority freezing Council Tax in 2011-12 and means an extra £23.2m in funding to the GLA. As an added statistical basis, freezing the precept for three years equates in real terms after inflation to a 6% cut.

Where things have changed is in this responsible approach to balancing the budget and we only wish that Ken Livingstone had had the financial control to have got anywhere near doing the same thing during his time in office. This is especially damning considering he was Mayor during a time of financial prosperity for the country.

Instead, Mr Livingstone saw fit to increase the precept burden on all Londoners whilst at the same time indulging in RPI+10% fare increases for TfL in non-election years followed by a cynical fare cut as the ballot box loomed. During his eight years, Ken Livingstone increased the precept by 152% overall with a record in his first term of the annual increases being 23%, 15%, 29%, 7.5% - the fourth year was presumably another election sweetener. That is the legacy of Labour. A return to Mr Livingstone as Mayor would only bring more of the same.

Table 1: Boris Johnson's annual precept: 2008-2011

Year	Johnson precept - £	Johnson increase - £	Johnson increase - %
2009-10	£309.82	£0	0%
2010-11	£309.82	£0	0%
2011-12	£309.82	£0	0%

Table 2: Ken Livingstone's annual precept: 2000-2008

Year	Livingstone precept - £	Livingstone increase - £	Livingstone increase - %
2000-01	£122.98	-	-
2001-02	£150.88	£28.00	22.9%
2002-03	£173.88	£23.00	15.2%
2003-04	£224.40	£50.52	29.1%
2004-05	£241.33	£16.93	7.5%
2005-06	£254.62	£13.29	5.5%
2006-07	£288.61	£33.99	13.4%
2007-08	£303.88	£15.27	5.3%
2008-09	£309.82	£5.94	2.0%
<b>Total 2000-08</b>	<b>-</b>	<b>£186.84</b>	<b>+152%</b>

What we hope for the future is that the freezing of the precept for three years presages reductions in the precept in future years. The GLA saw massive precept increases when the economy was good and the Conservative group would not want to see a return to fiscal irresponsibility as the economy picks up again. This can be achieved through sensible budgeting and strategic placement of the GLA rather than the grand empire building of the previous administration.

As Boris Johnson has said frequently, London is the engine of the nation's economy. It needs to be built up and allowed to flourish not hamstrung by the prospect of yet more Labour bureaucracy and mismanagement.

The successes outlined in the Mayor's budget and the measures that he has had to take are despite the last Labour government's miserable failure with the public finances that left the country paying £120m per day in interest alone, spending more on borrowing than the NHS and Defence combined and a public sector debt that more than doubled from £351bn in 1997 to £893bn in April 2010 – all during a time of economic boom. Not only was the roof not fixed by Labour, the tiles were sold off and the building company went bust under Labour's red tape.

Core GLA - Mayor

	Mayor's draft	Conservative proposal
<b>GLA Core</b>	<b>£m</b>	<b>£m</b>
2010-11 Budget requirement	131.8	131.8
<b>Change:</b>	<b>Change:</b>	<b>Change:</b>
Inflation	0.0	0.0
Savings & efficiencies	-5.9	-5.9
New initiatives & service improvements	+35.1	+29.1
Government funding	-13.7	-13.7
Change in use of reserves	-18.9	-18.9
Contingency available for the Group budget	+10.2	+10.2
<b>2011-12 total</b>	<b>138.6</b>	<b>132.6</b>
<b>Budget change from 2010-11</b>	<b>+6.8</b>	<b>+0.8</b>

The previous Mayor took what was supposed to be a '*lean and strategic authority*'<sup>2</sup> and turned it into a bloated bureaucracy that topped 700 permanent members of staff rather than the original 450 that City Hall was designed for. Once the Olympics was added in, the annual budget for the GLA increased by over £100m from 2000 to 2008 and the GLA provided an easy excuse for the Livingstone empire building to run amok.

Since the change of Mayor in 2008, the theme of the administration has been to reduce the burden on taxpayers whilst maintaining the work provided by the organisation. At the same time, new successes have included;

- α 3 new rape crisis centres and extra funding for the existing centre after closures during the Livingstone years
- α Investment into London parks and street trees
- α Economic recovery plan launched
- α Preventing violence against women strategy developed
- α Protection for London's green spaces rather than allowing them to be concreted over by developers using the Labour government's planning guidelines that turned back gardens into brown field sites
- α City Hall establishment reduced to cut the burden on the taxpayer
- α Cutting waste and making savings across the group of £1bn

The Conservative Group is proposing a £6m reduction in the GLA's spend on new initiatives' funding for old LDA projects. This can instead continue to be covered by the LDA through vireing the funding across to the GLA using s120 and 121 of the GLA Act if necessary. The LDA can then re-evaluate the projects it continues to fund and decide which can be removed and the funds used for more useful projects. A prime case for removal is the £6m for the long overdue 101 phone number. The project can be cut and the £6m saved passed to the GLA for old LDA projects whilst the LDA tidies up what it funds internally. This will mean money is not wasted and will reduce the GLA call on the precept.

<sup>2</sup> John Prescott MP, Hansard, 14<sup>th</sup> December 1998

## Core GLA – Assembly

	Mayor's draft	Conservative proposal
<b>GLA Core</b>	<b>£m</b>	<b>£m</b>
2010-11 Budget total	8.6	8.6
<b>Change:</b>	<b>Change:</b>	<b>Change:</b>
Inflation	-	-
Savings & efficiencies	-0.6	-0.96
<b>2011-12 total</b>	<b>8.0</b>	<b>7.64</b>
<b>Budget change from 2010-11</b>	<b>-0.6</b>	<b>-0.96</b>

The Conservative Assembly Group is happy to see proposals from the Assembly for a £600,000 saving from the budget. However, the Mayor asked for a 10% reduction to be looked at and the savings made represent only 7%. The Mayor said in a letter to the Chair of the Assembly;

*"GLA officials are developing a fourth option for the Mayoral component for 2011-12 which involves a saving of 10% on the 2010-11 budget.*

*It would be prudent for the same option to be worked up for the Assembly component for 2011-12. This would amount to a saving of £860,000 in total on the Assembly budget for 2010-11.*

*"Therefore I expect to see a fourth option of 10% savings for 2011-12 exemplified by the Assembly when it considers its savings."<sup>3</sup>*

Whilst the Mayor didn't quite make the 10% target himself, the Conservative Group proposes to take a responsive lead on this issue and cut the cost of Member Services for the political groups by 15% from that proposed or £360,000. This figure not only means the Assembly meets its overall 10% reduction from 2010-11, but it also goes another £100,000 beyond.

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<sup>3</sup> 28<sup>th</sup> July letter from Mayor of London to Chair of the Assembly re: supplementary budget guidance.

Metropolitan Police Authority

	Mayor's draft	Conservative proposal
<b>MPA</b>	<b>£m</b>	<b>£m</b>
2010-11 Budget requirement	2,673.3	2,673.3
<b>Change:</b>	<b>Change:</b>	<b>Change:</b>
Movement of Specific Grant to General Grant	+135.6	+135.6
Inflation	+56.6	+56.6
Net growth in existing services & programmes	-5.5	-5.5
New initiatives & service improvements	+71.3	+71.3
Savings & efficiencies	-163.0	-163.0
Increase in specific grants	-24.7	-24.7
Transfer from reserves	-30.6	-30.6
<b>2011-12 total</b>	<b>2,713.0</b>	<b>2,713.0</b>
<b>Budget change from 2010-11</b>	<b>+39.7</b>	<b>+39.7</b>

The Police remain the largest call upon the precept with over 70% of the investment made by Londoners to the GLA group going to the MPA. Projects that this investment supports include maintaining the Safer Neighbourhood Teams for local policing, reducing youth violence and knife crime and preparing for the security of the 2012 Olympic and Paralympic Games.

Last year we applauded the Mayor for promoting Operation Herald to free up 550 warranted officers from back office roles to return to the front line for London's benefit. In a time of austerity when the Met have had to instigate a recruitment freeze for new police officers, it is only right that public authorities maximise their resources and use fully trained and experienced officers in the roles they are trained for.

This year the Mayor has shown his commitment to policing in London through the reallocation of £30m of resources from across the GLA group to the Met. Rather than reduce funding even further in the current financial situation, the MPA is still proposing an increase in its overall budget.

No doubt one of the criticisms from the opposition will be of the Mayor cutting police officer numbers. What the Mayor has always said is that officer numbers will be higher at the end of his four year term than they were at the beginning. This is exactly what will happen. In April 2008 the Met had 31,398 warranted officers and the prediction for 2011-12 is 32,510.<sup>4</sup>

On top of this Special Constables are estimated to reach over 5,000 this year and rising to 6,667 in 2011-12. Considering they each patrol for four hours per week they equate to 10% of a paid officer, this means that the Met has the equivalent of an extra 500 officers, rising to over 660 next year. The Met are also expected to re-start warranted officer recruitment in the next few months,

<sup>4</sup> Policing London Business Plan 2011-14, January 2011



thereby replacing officers that do leave the service and, in addition, the move to single patrolling in appropriate areas is worth an extra 330 officers as well.<sup>5</sup>

The truth is that even on the most pessimistic estimate, the MPS will still be almost 750 warranted officers more in 2011-12 than it was under the previous administration in 2008 and updated estimates put that at over 1,100 higher. The Special Constables and the single patrolling make this increase even higher. The Mayor is fulfilling his promise to provide more policing for London and the opposition should recognise this fact.

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<sup>5</sup> Deputy Commissioner Tim Godwin, GLA Budget Committee, 7<sup>th</sup> December 2010

London Fire and Emergency Planning Authority

	Mayor's draft	Conservative proposal
<b>LFEPA</b>	<b>£m</b>	<b>£m</b>
2010-11 Budget requirement	437.3	437.3
<b>Change:</b>	<b>Change:</b>	<b>Change:</b>
Inflation	+2.6	+2.6
Committed savings in existing services and programmes	-1.3	-1.3
New initiatives & service provisions	+1.0	+1.0
New savings & efficiencies	-10.9	-10.9
Change in use of reserves	-19.3	-19.3
<b>2011-12 total</b>	<b>409.4</b>	<b>409.4</b>
<b>Budget increase from 2010-11</b>	<b>-27.9</b>	<b>-27.9</b>

The big issue for LFEPA over recent months has been the divisive union dispute over shift patterns. Despite ongoing discussions over six years it is only recently that an agreement has been successfully concluded. Now that LFEPA has resolution on this issue it, and the LFB, can concentrate on doing what it does best and provide fire cover for London.

The Mayor maintains his key deliverables as the reduction and prevention of fires and the undertaking of 230,000 home fire safety visits over the next three years. Budget wise LFEPA has had £19.3m reduced from its reserves in favour of that funding reallocating to the MPA, so the financial pressures on LFEPA remain after having been the most robustly financially managed of the functional bodies through recent years.

Where LFEPA has succeeded is in the good stewardship from its leadership in building up the reserves and steering the ship successfully to the strong point that it currently is in, which has allowed the Mayor the flexibility to channel additional resources into the MPA where they were needed. The Chairman and his team should be congratulated for their work over the last three years to improve the authority so that this flexibility has proven possible.

**TfL**

	Mayor's draft	Conservative proposal
<b>TfL</b>	<b>£m</b>	<b>£m</b>
2010-11 Budget requirement	12.0	12.0
<b>Change:</b>	<b>Change:</b>	<b>Change:</b>
Inflation	+65.0	+65.0
Fares, charges & other income	-289.0	-289.0
Increases in PPP/ PFI payments	-171.0	-171.0
Net operational increases/ decreases	+274.0	+274.0
Savings & efficiencies	-237.0	-237.0
Capital projects	-403.0	-403.0
Debt servicing, contingency & other items	-92.0	-92.0
Funding & working capital	+847.0	+847.0
<b>2011-12 total</b>	<b>6.0</b>	<b>6.0</b>
<b>Budget increase from 2010-11</b>	<b>0.0</b>	<b>0.0</b>

The Conservative group are pleased to see the precept taken from TfL reduced to £6m for the coming year. We have long argued that with the high income levels of TfL to factor in a small precept was unnecessary, so halving it is a very positive step for the council tax payer in London.

Whilst we hope that all sides on the London Assembly welcome the reduction in the precept, the main controversies to be debated will no doubt centre on the fares package for 2011 and the scrapping of the western extension zone of the Congestion Charge.

The position needs to be stated very clearly, Boris Johnson was bequeathed a £1.3bn black hole in TfL's finances by the previous administration that cynically used fares as a political football to try and bribe Londoners. Such a terrible heritage needed to be addressed and Boris Johnson set about doing so by instituting £5bn in savings over the course of TfL's business plan.

Ken Livingstone and his cohort complain about the RPI+2% fare increase, but what they do not bother to mention is that in the 3 years after the 2004 election the former Mayor raised fares by RPI+10% each year. Between 2005 and 2007 the Oyster fare increased by 42%.

In his first term, Mr Livingstone targeted the Council Tax payer, in his second term he moved on to the transport fare payer, so to complain now about fare increases to invest in the transport system is just a touch hypocritical, especially when the suspicion remains that the former Mayor only reduced fares in 2008 as an electoral bribe and not because TfL could afford the loss in income.

All free and concessionary fares have been protected by the Mayor, which means that 40% of bus passengers will continue to have free or subsidised travel. Even with January's necessary fare increase the average bus fare will be just 60p per journey compared with a typical fare of around £1 in other UK cities.

The real question to Ken Livingstone's objections is how in earnest they are and not just voiced out loud to appease his union paymasters that house and fund the Livingstone campaign?

The removal of the western extension has also proved divisive despite the Mayor's consultation that found 67% of respondents, including 86% of businesses in the area, voted for removal. Rational thought would say that having a large majority of residents and businesses in favour of a schemes removal would be a clear indicator of what should be done. It seems though that the Labour party (and the rest of the opposition) do not work in rational thought though or they would never have ignored the majority who did not want the western extension created in the first place. The WEZ really was a case of Ken Livingstone ignoring the people who put him in office in favour of the usual left wing 'we know better' policy.

The loss in revenue is also a question to be addressed. Some sources have said £55m, Mr Livingstone has £70m on his website and the net congestion charge revenue listed in the consultation budget is £47m less than was listed in last years budget. A big reason why Congestion Charge income will be less is the new direct payment option brought in by the Mayor as a benefit for Londoners. TfL will see a reduction in income because there will be a big reduction in fines.

The opposition will see this as a point to attack the Mayor on, but the fact is that the Mayor is responding to the votes of thousands of affected residents who wanted the zone removed and means that he is following his manifesto pledge and doing what Londoners elected him to do.

## London Development Agency

	Mayor's draft	Conservative proposal
<b>LDA</b>	<b>£m</b>	<b>£m</b>
2010-11 requirement	Nil	Nil
<b>Change:</b>	<b>Change:</b>	<b>Change:</b>
<b>2011-12 total</b>	<b>Nil</b>	<b>Nil</b>
<b>Budget increase from 2010-11</b>	<b>Nil</b>	<b>Nil</b>

The LDA remains a nil impact upon the precept but the GLA remains in the dark about the details of this years grant funding from central government. The historic problems created by the previous administration that led to the widely reported £160m black hole in their finances have now led to the LDA being scrapped along with the rest of the RDA's in England.

With the removal of their grants and the planned closure of the LDA in April most of the business and skills programmes are returning to central government and the continuing programmes transferring to the LDA are being reduced in number and scope. The Mayor is replacing the promotional work of the LDA with a new Promote London company funded by the GLA.

We look forward to the LDA being merged in with the GLA.

## Summary of Proposals

	Base 2010-11	Mayor's proposals 2011-12	Alternative proposals 2011-12
MPA	£2,673.3m	£ 2,713.0m	£ 2,713.0m
LFEPa	£ 437.3m	£ 409.4m	£ 409.4m
TfL	£ 12.0m	£ 6.0m	£ 6.0m
Core GLA - Mayor	£ 131.8m	£ 138.6m	£ 132.6m
Core GLA - Assembly	£ 8.6m	£ 8.0m	£ 7.64m
LDA	£ 0.0m	£ 0.0m	£ 0.0m
Total budget	£3,263.0m	£ 3,275.0m	£3,268.65m
Council Tax income	£ 923.0m	£ 934.8m	£ 928.45m
Precept increase (Band D)	-	+£0.00	<b>-£2.11 (-0.7%)</b>
Total Band D precept	£ 309.82	£309.82	<b>£307.71</b>

**PART B: Proposal to approve, with amendments, the Draft Consolidated Budget for the 2011-12 financial year for the Greater London Authority and the Functional Bodies.**

**RECOMMENDATIONS:****FORMAL BUDGET AMENDMENT**

1. The Mayor's draft consolidated budget (together with the component budgets comprised within it) for 2011-12 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) 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 budget requirement for 2011-12 for each constituent body as follows:

<i><b>Constituent body</b></i>	<i><b>Component budget requirement</b></i>
<b>Greater London Authority: Mayor of London</b>	<b>£ 132,617,000</b>
<b>Greater London Authority: London Assembly</b>	<b>£ 7,640,000</b>
<b>Metropolitan Police Authority</b>	<b>£ 2,713,000,000</b>
<b>London Fire and Emergency Planning Authority</b>	<b>£ 409,400,000</b>
<b>Transport for London</b>	<b>£ 6,000,000</b>
<b>London Development Agency</b>	<b>£ 0</b>

3. The component budget requirements shown in recommendation 2 above, give rise to a consolidated budget requirement for the Authority for 2010-11 (shown at Line 55 in the attached Schedule) of –

**£3,268,657,000**

**BUDGET RELATED MOTIONS**

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

**NOTES:**

- a. A simple majority of votes cast by Assembly members is required to approve any amendment to recommendations (1) to (3) above concerning the draft Consolidated Budget; abstentions are not counted.
- b. To approve the draft Consolidated Budget, without amendment, only a simple majority of votes cast is required. Again, abstentions are not counted.

## SCHEDULE

**Part 1: Greater London Authority: Mayor of London ("Mayor") draft component budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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)	£212,696,000	£212,696,000	estimated expenditure of the Mayor calculated in accordance with s85(4)(a) of the Act
(2)	£10,621,000	£10,621,000	estimated allowance for contingencies for the Mayor under s85(4)(b) of the Act
(3)	£5,000,000	£5,000,000	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the Act
(4)	£0	£0	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the Act
(5)	<b>£228,317,000</b>	<b>£228,317,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the Mayor (lines (1) + (2) + (3) + (4) above)
(6)	-£80,200,000	-£86,200,000	estimate of Mayor's income calculated in accordance with s85(5)(a) of the Act
(7)	-£9,500,000	-£9,500,000	estimate of Mayor's reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the Act
(8)	<b>-£89,700,000</b>	<b>-£95,700,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for the Mayor (lines (6) + (7))
(9)	<b>£138,617,000</b>	<b>£132,617,000</b>	the component budget requirement for Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (8) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the Mayor for 2011-12 is: £132,617,000**



## Part 2: Greater London Authority: London Assembly (“Assembly”) draft component budget requirement calculations

NOTE: Amendments to the draft consolidated budget 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
(10)	£8,000,000	£7,640,000	estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the Act
(11)	£0	£0	estimated allowance for contingencies for the Assembly under s85(4)(b) of the Act
(12)	£0	£0	estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the Act
(13)	£0	£0	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the Act
(14)	<b>£8,000,000</b>	<b>£7,640,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the Assembly (lines (10) + (11) + (12) + (13) above)
(15)	£0	£0	estimate of the Assembly’s income calculated in accordance with s85(5)(a) of the Act
(16)	£0	£0	estimate of the Assembly’s reserves to be used in meeting amounts in lines (10) and (11) above under s85(5)(b) of the Act
(17)	£0	£0	aggregate of the amounts for the items set out in section 85(5) of the Act for the Assembly (lines (15) + (16))
(18)	<b>£8,000,000</b>	<b>£7,640,000</b>	the component budget requirement for the Assembly (being the amount by which the aggregate at (14) above exceeds the aggregate at (17) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the Assembly for 2011-12 is: £7,640,000**

**Part 3: Metropolitan Police Authority (“MPA”) draft component budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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
(19)	£3,547,200,000	£3,547,200,000	estimated expenditure of the MPA for the year calculated in accordance with s85(4)(a) of the Act
(20)	£25,100,000	£25,100,000	estimated allowance for contingencies for the MPA under s85(4)(b) of the Act
(21)	£0	£0	estimated reserves to be raised for meeting future expenditure of the MPA under s85(4)(c) of the Act
(22)	£0	£0	estimate of reserves to meet a revenue account deficit of the MPA under s85(4)(d) of the Act
(23)	<b>£3,572,300,000</b>	<b>£3,572,300,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the MPA (lines (19) + (20) + (21) + (22) above)
(24)	-£824,500,000	-£824,500,000	estimate of the MPA’s income calculated in accordance with s85(5)(a) of the Act
(25)	-£34,800,000	-£34,800,000	estimate of MPA’s reserves to be used in meeting amounts in lines (19) and (20) above under s85(5)(b) of the Act
(26)	<b>-£859,300,000</b>	<b>-£859,300,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for the MPA (lines (24) + (25))
(27)	<b>£2,713,000,000</b>	<b>£2,713,000,000</b>	the component budget requirement for the MPA (being the amount by which the aggregate at (23) above exceeds the aggregate at (26) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the MPA for 2011-12 is: £2,713,000,000**

**Part 4: London Fire and Emergency Planning Authority (“LFEPA”) draft component budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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
<b>Line</b>	<b>Mayor’s proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(28)	£459,600,000	£459,600,000	estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the Act
(29)	£0	£0	estimated allowance for contingencies for LFEPA under s85(4)(b) of the Act
(30)	£0	£0	estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the Act
(31)	£0	£0	estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the Act
(32)	<b>£459,600,000</b>	<b>£459,600,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for LFEPA (lines (28) + (29) + (30) + (31) above)
(33)	-£30,900,000	-£30,900,000	estimate of LFEPA’s income calculated in accordance with s85(5)(a) of the Act
(34)	-£19,300,000	-£19,300,000	estimate of LFEPA’s reserves to be used in meeting amounts in lines (28) and (29) above under s85(5)(b) of the Act
(35)	<b>-£50,200,000</b>	<b>-£50,200,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for LFEPA (lines (33) + (34))
(36)	<b>£409,400,000</b>	<b>£409,400,000</b>	the component budget requirement for LFEPA (being the amount by which the aggregate at (32) above exceeds the aggregate at (35) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for LFEPA for 2011-12 is: £409,400,000**

**Part 5: Transport for London (“TfL”) draft component budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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
<b>Line</b>	<b>Mayor’s proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(37)	£8,441,000,000	£8,441,000,000	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the Act
(38)	£154,000,000	£154,000,000	estimated allowance for contingencies for TfL under s85(4)(b) of the Act
(39)	£245,000,000	£245,000,000	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the Act
(40)	£0	£0	estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the Act
(41)	<b>£8,840,000,000</b>	<b>£8,840,000,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for TfL (lines (37) + (38) + (39) + (40) above)
(42)	-£8,834,000,000	-£8,834,000,000	estimate of TfL’s income calculated in accordance with s85(5)(a) of the Act
(43)	£0	£0	estimate of TfL’s reserves to be used in meeting amounts in lines (37) and (38) above under s85(5)(b) of the Act
(44)	<b>-£8,834,000,000</b>	<b>-£8,834,000,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for TfL (lines (42) + (43))
(45)	<b>£6,000,000</b>	<b>£6,000,000</b>	the component budget requirement for TfL (being the amount by which the aggregate at (41) above exceeds the aggregate at (44) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for TfL for 2011-12 is: £6,000,000**

**Part 6: London Development Agency (“LDA”) draft component budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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
<b>Line</b>	<b>Mayor’s Proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(46)	£213,700,000	£213,700,000	estimated expenditure of the LDA for the year calculated in accordance with s85(4)(a) of the Act
(47)	£3,000,000	£3,000,000	estimated allowance for contingencies for the LDA under s85(4)(b) of the Act
(48)	£0	£0	estimated reserves to be raised for meeting future expenditure of the LDA under s85(4)(c) of the Act
(49)	£0	£0	estimate of reserves to meet a revenue account deficit of the LDA under s85(4)(d) of the Act
(50)	<b>£216,700,000</b>	<b>£216,700,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the LDA (lines (46) + (47) + (48) + (49) above)
(51)	-£216,700,000	-£216,700,000	estimate of the LDA’s income calculated in accordance with s85(5)(a) of the Act
(52)	-£0	-£0	estimate of the LDA’s reserves to be used in meeting amounts in lines (46) and (47) above under s85(5)(b) of the Act
(53)	<b>-£216,700,000</b>	<b>-£216,700,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for the LDA (lines (51) + (52))
(54)	<b>£0</b>	<b>£0</b>	the component budget requirement for the LDA (being the amount by which the aggregate at (50) above exceeds the aggregate at (53) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the LDA for 2011-12 is: £0**

**Part 7: The Greater London Authority ("GLA") draft consolidated budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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
<b>Line</b>	<b>Mayor's proposed consolidated budget requirement</b>	<b>Budget amendment's proposed consolidated budget requirement</b>	<b>Description</b>
(55)	<b>£3,275,017,000</b>	<b>£3,268,657,000</b>	the GLA's consolidated budget requirement (the sum of the amounts in lines (9) + (18) + (27) + (36) + (45) + (54)) calculated in accordance with section 85(8) of the Act

**The draft consolidated budget requirement for 2011-12 is: £3,268,657,000**

# **Report to the Assembly on the Mayor's Draft Consolidated Budget for 2011 – 2012**

**Report to:** London Assembly

**Date:** 10 February 2011

**Report of:** London Assembly Green Group

**Proposed by:** Darren Johnson

**Seconded by:** Jenny Jones

## **PART A: INTRODUCTION & COMMENTARY<sup>1</sup>**

At a time of huge government spending cuts affecting London wide and borough services, the Green Group amendment has three principal objectives:

1. to protect low income and vulnerable Londoners;
2. to guarantee continuous funding to tackle climate change and London's other serious environmental problems;
3. to protect neighbourhood and borough level policing.

The Mayor's budget relies on a steep rise in public transport fares, well above inflation, at a time when many Londoners are already facing real pay cuts or the prospect of losing their job. A typical working family would pay around £160 extra a year in fares. We will bring down the fare increase to the inflation level, and instead raise the congestion charge to £16 and reintroduce the Western Extension. Our budget includes other measure to protect the most vulnerable such as guaranteed funding for pan London homelessness projects which are currently at risk of funding cuts.

The Green amendment will address London's most serious immediate environmental problem affecting the health of thousands: air pollution. Our budget will fund a Very Low Emission Zone in central London to exclude all polluting vehicles. The changes to congestion charge will also improve London's air quality by cutting overall traffic levels. The substantial funding for the London Cycle Network will help cut traffic and air pollution in outer London. And the reinstatement of the funding for the expansion of the Green Grid of linked open spaces will deliver lengthy off road walking and cycling routes as well as putting in place a structure to defend London against flood risk. Our budget will provide extra funding to enable London to make up for lost time in insulating its homes, a vital measure to tackle climate change.

We consider that the Mayor's budget gives too much weight to the international marketing of London and too little to investment in physical projects which will make

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<sup>1</sup> 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.

London a cleaner and healthier city for the long term. So our amendment reduces the budget for international promotion. We will also cut the outdated single telephone number (saving £6.1m) and will look for further savings (through sharing services) in the media, marketing and external relations budgets of City Hall, TfL, the Police and Fire Service. We agree with the Mayor that the Fire Service's huge reserves should be put to work, and will go further than he has done with this.

Londoners want the police to focus on delivering safe communities, not on excessive surveillance aimed at deterring legitimate dissent. Therefore, we will reduce police budgets for the Territorial Support Group and for surveillance, and increase the budget to support neighbourhood and borough level policing, as well as that for policing our roads where far too many Londoners continue to be killed or maimed. Further savings will be made in the large police overtime bill, since the police budget continues to provide over £100m for officer overtime and nearly £30m for staff overtime.

## **Green budget amendment (2011/12) – detailed breakdown**

### **Greater London Authority (Mayor)**

	<b>£</b>
<b>Mayor's proposed budget requirement</b>	<b>138,617,000</b>
<b>Additional spending:</b>	
Housing – stop gap funding to secure pan London homelessness projects	+ 3,000,000
Rape crisis centres – additional funding to improve services	+ 700,000
Increase funding for home energy efficiency to reach an extra 50k homes	+ 6,500,000
Provide funding to extend London's linked green spaces (All London Green Grid) to provide flood protection, off-road cycling and walking routes, wildlife habitats and recreational open space.	+ 300,000
<b>Savings:</b>	
External relations, press and marketing – increase savings by sharing services with other GLA bodies	- 300,000
Cut energy spending for City Hall by additional 3% (total of 5%)	- 16,000
Promote London – reduce spending	- 2,100,000
<b>Green budget requirement (+ £8,084,000)</b>	<b>146,701,000</b>

### **Greater London Authority (Assembly)**

	<b>£</b>
<b>Mayor's proposed budget requirement</b>	<b>8,000,000</b>
<b>Green budget requirement (no change)</b>	<b>8,000,000</b>



## Metropolitan Police Authority

	£
<b>Mayor's proposed budget requirement</b>	<b>2,713,000,000</b>
<b>Additional spending:</b>	
Increase policing to prevent deaths & injuries on London's roads, to reverse long term cuts	+ 3,000,000
Improve training of regular police officers on public order policing	+ 1,000,000
Retain an alternative entry route to the police officer profession which does not require working as a Special Constable (for a proportion of recruits)	+ 1,000,000
Additional support for safer neighbourhood policing	+ 6,500,000
Additional resources for borough policing	+ 5,000,000
Reinstate part of Basic Command Unit Fund for preventative and diversionary initiatives	+ 3,200,000
Accelerate energy efficiency programme	+ 300,000
<b>Savings:</b>	
Reduce police officer overtime spending by further 4% (in addition to planned 11%)	- 5,000,000
Reduce staff overtime by additional 20% (in addition to planned 4.7%)	- 6,000,000
Reduce public affairs spending	- 650,000
Cut back on surveillance, databases of personal information, DNA sampling	- 2,000,000
Reduce Territorial Support Group	- 5,000,000
Further reduce spending on flights and hotels	- 550,000
Further reduce use of cars and drivers for senior officers	- 500,000
Cut energy use in buildings by additional 3% (5% in total)	- 300,000
<b>Green budget requirement (no change)</b>	<b>2,713,000,000</b>

## London Fire and Emergency Planning Authority

	£
<b>Mayor's proposed budget requirement</b>	<b>409,400,000</b>
<b>Additional spending:</b>	
Accelerate building energy efficiency programme	+ 600,000
<b>Savings:</b>	
Reduce energy use by extra 2% (already being reduced by 3% a year)	- 60,000
Reduce press/ public affairs spending through shared services	- 100,000
<b>Reserves:</b>	
Make greater use of reserves	- 10,000,000
<b>Green budget requirement (- £9,560,000)</b>	<b>399,840,000</b>

## **Transport for London**

	<b>£</b>
<b>Mayor's proposed budget requirement</b>	<b>6,000,000</b>
<b>Additional spending:</b>	
Very Low Emission Zone implementation	+ 10,000,000
Faster introduction of low emission hybrid buses	+ 15,000,000
Increase funding for borough transport schemes, especially: <ul style="list-style-type: none"> <li>• Biking Boroughs</li> <li>• London Cycle Network</li> <li>• Pedestrian improvements</li> <li>• Road safety schemes</li> <li>• Borough wide 20 mph</li> </ul>	+ 25,030,000
<b>Savings:</b>	
Retain articulated buses	- 5,200,000
Cancel research work on additional aviation capacity	- 4,000
Cut planning work on road river crossings in Thames Gateway	- 1,000,000
Reduce press spending through shared services	- 150,000
Negotiate a reduction in Crossrail's budget for media and marketing work	- 200,000
<b>Income changes:</b>	
Cut "above inflation" element of fare rise	+ 40,000,000
Reintroduce Western Extension of Congestion Charge (part year's income)	- 17,000,000
Increase standard congestion charge to £16	- 50,000,000
Increase congestion charge for more highly polluting vehicles to £30	-15,000,000
<b>Green budget requirement (+ £1,476,000)</b>	<b>7,476,000</b>

## **London Development Agency**

	<b>£</b>
<b>Mayor's proposed budget requirement</b>	<b>Nil</b>
<b>Additional spending:</b>	
Increase funding for home energy efficiency to reach an extra 50k homes	+ 6,500,000
<b>Savings:</b>	
Cut funding for academies	- 400,000
Cut funding for single 101 telephone number (from international promotion budget)	- 6,100,000
<b>Green budget requirement (no change)</b>	<b>Nil</b>

**PART B: Proposal to approve, with amendments, the Draft Consolidated Budget for the 2011-12 financial year for the Greater London Authority and the Functional Bodies.**

**RECOMMENDATIONS:**

**FORMAL BUDGET AMENDMENT**

1. The Mayor's draft consolidated budget (together with the component budgets comprised within it) for 2011-12 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 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 budget requirement for 2011-12 for each constituent body as follows:

<i><b>Constituent body</b></i>	<i><b>Component budget requirement</b></i>
<b>Greater London Authority: Mayor of London</b>	<b>£146,701,000</b>
<b>Greater London Authority: London Assembly</b>	<b>£8,000,000</b>
<b>Metropolitan Police Authority</b>	<b>£2,713,000,000</b>
<b>London Fire and Emergency Planning Authority</b>	<b>£399,840,000</b>
<b>Transport for London</b>	<b>£7,476,000</b>
<b>London Development Agency</b>	<b>£0</b>

3. The component budget requirements shown in recommendation 2 above, give rise to a consolidated budget requirement for the Authority for 2011-12 (shown at Line 55 in the attached Schedule) of -

**£ 3,275,017,000**

**BUDGET RELATED MOTIONS**

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

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**NOTES:**

- a. A simple majority of votes cast by Assembly members is required to approve any amendment to recommendations (1) to (3) above concerning the Draft Consolidated Budget; abstentions are not counted.
- b. To approve the Draft Consolidated Budget, without amendment, only a simple majority of votes cast is required. Again, abstentions are not counted.

## SCHEDULE

### Part 1: Greater London Authority: Mayor of London ("Mayor") draft component budget requirement calculations

NOTE: Amendments to the draft component budget 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)	£212,696,000	£220,780,000	estimated expenditure of the Mayor calculated in accordance with s85(4)(a) of the Act
(2)	£10,621,000	£	estimated allowance for contingencies for the Mayor under s85(4)(b) of the Act
(3)	£5,000,000	£	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the Act
(4)	£0	£	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the Act
(5)	<b>£228,317,000</b>	<b>£236,401,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the Mayor (lines (1) + (2) + (3) + (4) above)
(6)	-£80,200,000	£	estimate of Mayor's income calculated in accordance with s85(5)(a) of the Act
(7)	-£9,500,000	£	estimate of Mayor's reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the Act
(8)	<b>-£89,700,000</b>	<b>£</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for the Mayor (lines (6) + (7))
(9)	<b>£138,617,000</b>	<b>£146,701,000</b>	the component budget requirement for Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (8) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the Mayor for 2011-12 is: £146,701,000**

**Part 2: Greater London Authority: London Assembly (“Assembly”) draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
<b>Line</b>	<b>Mayor’s proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(10)	£8,000,000	£	estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the Act
(11)	£0	£	estimated allowance for contingencies for the Assembly under s85(4)(b) of the Act
(12)	£0	£	estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the Act
(13)	£0	£	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the Act
(14)	<b>£8,000,000</b>	<b>£</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the Assembly (lines (10) + (11) + (12) + (13) above)
(15)	£0	£	estimate of the Assembly’s income calculated in accordance with s85(5)(a) of the Act
(16)	£0	£	estimate of the Assembly’s reserves to be used in meeting amounts in lines (10) and (11) above under s85(5)(b) of the Act
(17)	<b>£0</b>	<b>£</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for the Assembly (lines (15) + (16))
(18)	<b>£8,000,000</b>	<b>£</b>	the draft component budget requirement for the Assembly (being the amount by which the aggregate at (14) above exceeds the aggregate at (17) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the Assembly for 2011-12 is: £8,000,000**

**Part 3: Metropolitan Police Authority (“MPA”) draft  
component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
<b>Line</b>	<b>Mayor’s proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(19)	£3,547,200,000	£	estimated expenditure of the MPA for the year calculated in accordance with s85(4)(a) of the Act
(20)	£25,100,000	£	estimated allowance for contingencies for the MPA under s85(4)(b) of the Act
(21)	£0	£	estimated reserves to be raised for meeting future expenditure of the MPA under s85(4)(c) of the Act
(22)	£0	£	estimate of reserves to meet a revenue account deficit of the MPA under s85(4)(d) of the Act
(23)	<b>£3,572,300,000</b>	<b>£</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the MPA (lines (19) + (20) + (21) + (22) above)
(24)	-£824,500,000	£	estimate of the MPA’s income calculated in accordance with s85(5)(a) of the Act
(25)	-£34,800,000	£	estimate of MPA’s reserves to be used in meeting amounts in lines (19) and (20) above under s85(5)(b) of the Act
(26)	<b>-£859,300,000</b>	<b>£</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for the MPA (lines (24) + (25))
(27)	<b>£2,713,000,000</b>	<b>£</b>	the draft component budget requirement for the MPA (being the amount by which the aggregate at (23) above exceeds the aggregate at (26) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the MPA for 2011-12 is: £2,713,000,000**

**Part 4: London Fire and Emergency Planning Authority ("LFEPA") draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(28)	£459,600,000	£460,040,000	estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the Act
(29)	£0	£	estimated allowance for contingencies for LFEPA under s85(4)(b) of the Act
(30)	£0	£	estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the Act
(31)	£0	£	estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the Act
(32)	<b>£459,600,000</b>	<b>£460,040,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for LFEPA (lines (28) + (29) + (30) + (31) above)
(33)	-£30,900,000	£	estimate of LFEPA's income calculated in accordance with s85(5)(a) of the Act
(34)	-£19,300,000	-£29,300,000	estimate of LFEPA's reserves to be used in meeting amounts in lines (28) and (29) above under s85(5)(b) of the Act
(35)	<b>-£50,200,000</b>	<b>-£60,200,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for LFEPA (lines (33) + (34))
(36)	<b>£409,400,000</b>	<b>£399,840,000</b>	the draft component budget requirement for LFEPA (being the amount by which the aggregate at (32) above exceeds the aggregate at (35) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for LFEPA for 2011-12 is: £399,840,000**

**Part 5: Transport for London ("TfL") draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
<b>Line</b>	<b>Mayor's proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(37)	£8,441,000,000	£8,484,476,000	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the Act
(38)	£154,000,000	£	estimated allowance for contingencies for TfL under s85(4)(b) of the Act
(39)	£245,000,000	£	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the Act
(40)	£0	£	estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the Act
(41)	<b>£8,840,000,000</b>	<b>£8,883,476,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for TfL (lines (37) + (38) + (39) + (40) above)
(42)	-£8,834,000,000	-£8,876,000,000	estimate of TfL's income calculated in accordance with s85(5)(a) of the Act
(43)	£0	£	estimate of TfL's reserves to be used in meeting amounts in lines (37) and (38) above under s85(5)(b) of the Act
(44)	<b>-£8,834,000,000</b>	<b>-£8,876,000,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for TfL (lines (42) + (43))
(45)	<b>£6,000,000</b>	<b>£7,476,000</b>	the component budget requirement for TfL (being the amount by which the aggregate at (41) above exceeds the aggregate at (44) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for TfL for 2011-12 is: £7,476,000**



**Part 6: London Development Agency ("LDA") draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(46)	£213,700,000	£	estimated expenditure of the LDA for the year calculated in accordance with s85(4)(a) of the Act
(47)	£3,000,000	£	estimated allowance for contingencies for the LDA under s85(4)(b) of the Act
(48)	£0	£	estimated reserves to be raised for meeting future expenditure of the LDA under s85(4)(c) of the Act
(49)	£0	£	estimate of reserves to meet a revenue account deficit of the LDA under s85(4)(d) of the Act
(50)	<b>£216,700,000</b>	<b>£</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the LDA (lines (46) + (47) + (48) + (49) above)
(51)	-£216,700,000	£	estimate of the LDA's income calculated in accordance with s85(5)(a) of the Act
(52)	£0	£	estimate of the LDA's reserves to be used in meeting amounts in lines (46) and (47) above under s85(5)(b) of the Act
(53)	<b>-£216,700,000</b>	<b>£</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for the LDA (lines (51) + (52))
(54)	<b>£0</b>	<b>£</b>	the component budget requirement for the LDA (being the amount by which the aggregate at (50) above exceeds the aggregate at (53) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the LDA for 2011-2012 is: £0**

**Part 7: The Greater London Authority ("GLA") draft consolidated budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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
<b>Line</b>	<b>Mayor's proposed consolidated budget requirement</b>	<b>Budget amendment's proposed consolidated budget requirement</b>	<b>Description</b>
(55)	<b>£3,275,017,000</b>		the GLA's consolidated budget requirement (the sum of the amounts in lines (9) + (18) + (27) + (36) + (45) + (54)) calculated in accordance with section 85(8) of the Act

**The draft consolidated budget requirement for 2011-12 is: £3,275,017,000**

# Report to the Assembly on the Mayor's Draft Consolidated Budget for 2011 – 2012

**Report to:** London Assembly

**Date:** 10 February 2011

**Report of:** Liberal Democrat group

**Proposed by:** Mike Tuffrey

**Seconded by:** Caroline Pidgeon

## PART A: INTRODUCTION & COMMENTARY<sup>1</sup>

The Liberal Democrat budget invests more resources in essential frontline services in policing, transport and the environment, cuts wasteful expenditure and ensures **no rise** in the GLA's share of the Council Tax.

In summary, we seek to:

- Protect the structure of Safer Neighbourhood Teams to maintain **neighbourhood policing** while consultation continues; increase resources for neighbourhoods most at risk of gun and knife crime; expand police work in combating child trafficking; and reduce spending on press officers and perks for senior officers.
- Bring in a **better fares package**: the One Hour Bus Ticket to mitigate the effect on Londoners of the large fare rises on London's bus network; and re-introduce Zone 2 to 6 and 2 to 9 Travelcards, so that those in Outer London are not forced to pay Zone 1 fares when they don't need to.
- Provide support for **sustainable travel** and **better river services**.
- Ensure that vital initiatives to take forward **environmental projects** in London are protected and improved, including speeding up the rate at which London's buses and taxis become cleaner and studying the feasibility of a Clean Air Zone.
- Take effective action to build more **affordable housing** in London and speed up the creation of an integrated housing and regeneration function at City Hall.
- **Cut waste** at City Hall and ensure that the lowest paid are properly rewarded.

Our budget package will cost a Band D Council Tax payer **£309.82**, so ensuring no rise in the GLA precept.

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<sup>1</sup> 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.

## **Sustaining London's emergency services and investing in their future**

Scrutiny of the MPA's large budget has been hindered this year by the poor level and late provision of information to Authority Members. The changes in spending we want the MPA to make include:

- Continue funding sergeant posts in Safer Neighbourhood Teams across London while consultation on the future structure continues so as not to pre-empt the review and close off options. The saving from removing 300 police sergeants by the end of 2013/14 has been estimated at £15million so we would restore £4.5million to the MPA's budget to ensure continuity of neighbourhood policing.
- Increase funding of £6.7million for SNTs in 20 neighbourhoods most at risk from gun and knife crime, to allow flexible shift patterns and additional hours.
- Put £1.4million in expanding the Paladin team of officers who work to stem the flow of children being trafficked into the UK.
- Reduce the number of Commander posts by 50% over a 3 year period. This would save £900,000 in the financial year 2011/12.
- A £5.67 million reduction in the Metropolitan Police's Directorate of Public Affairs budget and in its 70 strong staff team, cutting press officer numbers.

The net cost of these changes is £4.08million, to be funded by an increase in the MPA's share of the precept, with a balancing amount of £4.08million from LFEPA's reserves to support these changes.

In the LFEPA budget we will propose at the Authority meeting in March to provide additional support for the LIFE scheme - a well-regarded initiative that allows teenagers referred by youth offending services to spend a week working alongside firefighters, learning about personal responsibility, teamwork and basic firefighting. The scheme is co-funded by boroughs and charities. To ensure this investment in fire risk reduction is maintained in the current tight financial settlement, we will urge LFEPA when setting its final budget in March to invest £500,000 from its reserves so that this important project can continue operating.

## **Keeping London Moving**

Our budget changes the priorities within **Transport for London's** budget and moves ahead with important initiatives.

- Introduce a 'One Hour' bus ticket, a fair way to charge passengers who have to take more than one bus in order to reach their destination – included in the 2012 fares package from January.
- Reintroduce Zone 2-6 and 2-9 Travelcards immediately, which would cost less than £1m, but save passengers, who do not need to travel into Zone 1 paying higher fares.

- Kick start work to clean up London's bus and taxi fleet to improve air quality and fund a feasibility study into a central London Clean Air Zone.
- Promote walking, cycling and other sustainable transport initiatives.
- Support river transport.

These costs will be met by withdrawing the free travel for TfL staff nominees, reducing management consultancy costs and delaying the roll out of the next phases of Cycle Superhighways.

## **Cutting wasteful expenditure and delivering on the environment and housing**

### **Core Greater London Authority**

- Honour the commitment made by the Assembly's cross party Business Management and Administration Committee to award all GLA staff on Grade 3 or below who are earning less than £23,000 pa - a pay rise of 4.6%, at a cost of £50,000. This mirrors the payments being made to low paid staff in the Civil Service
- Ensure the continuity of important environmental projects currently funded by the LDA, including the RE:NEW (homes retrofit), RE:FIT (public buildings retrofit) and Low Carbon Zones programmes and especially ensuring the retention of specialist staff, by creating a transitional fund of £6million within the £12.8million already provided in the GLA budget.
- Maintain and increase investment in affordable housing, particularly to attract private sector investment, by guaranteeing the £740,000 currently at risk for the London Housing Company. The priority for 2011/12 must be to bring into productive use the LDA land assets for affordable housing in London – a first step to an accelerated housing and regeneration function at City Hall.
- Ensure existing marketing budgets are truly focussed on promoting London, as this function transfers from the LDA, and ensure that LOCOG starts actively marketing London ahead of the 2012 Games

These measures will be funded by a £50,000 reduction in the use of temporary staff which in the financial year 2010/11 cost the GLA £1.5million, and by refocusing spending already in the core GLA budget.

### **Effective scrutiny for Londoners**

This year the **London Assembly's** budget is separately identified. The Assembly has proposed reductions so spending is effectively frozen – a real terms efficiency gain – at a time when the GLA's responsibilities and its £13 billion overall budget are growing. The Assembly must continue to examine its effectiveness and to demonstrate it delivers value-for-money public accountability.

## **Explanatory notes to our proposals**

### **Metropolitan Police Budget Proposals**

<b>Increased expenditure – Liberal Democrat proposals</b>	<b>Additional cost 2011/12</b>	<b>Explanatory notes</b>
<b>Reverse the proposed deletion of 100 Sergeant posts from Safer Neighbourhood Teams in 2011/12,</b> since Safer Neighbourhood Policing has been hugely popular with all communities in London, and one of the MPS's greatest success stories.	£4.5 million	Note 1
<b>Increased resources for selected Safer Neighbourhood Teams (SNT)</b> We believe that the current model of Safer Neighbourhood Teams just working day shifts needs to be augmented in those Boroughs with highest incidence of knife and gun crime. We therefore propose providing funding to allow more flexible shift patterns and additional hours of working in these areas.	£6.7 million	Note 2
<b>Additional police to deal with child trafficking</b> The practice of trafficking children to the UK continues to cause real concern. In particular, at main transport hubs such as St Pancras, and Heathrow. A small team (known as Paladin) consisting of police and immigration officers do excellent work trying to stem the flow. We believe it is essential to expand the Paladin team, to enable rail entry points to London to be more appropriately policed.	£1.4 million	Note 3
<b>Total additional spending</b>	<b>£12.6 million</b>	

<b>Liberal Democrat proposals for savings in the MPA</b>	<b>Identified Savings 2010/11</b>	<b>Explanatory notes</b>
Reduce payments to the Association of Chief Police Officers (ACPO) and institute a review of all the services contracted by the MPS to ACPO to ensure value for money.	£500,000	Note 4
Reduce spending in the Directorate of Public Affairs. We believe that the budget can be cut, and the number of press officers should be significantly reduced from 74 to 10.	£5.67 million	Note 5
Reduction in the number of Commander Posts by 50% over a three-year period. This excludes Borough Commanders, who are generally of the rank Chief Superintendent.	£900,000	Note 6
Reduction in the MPS's use of consultants by 50%.	£1.45million	Note 7
<b>Liberal Democrat proposals for savings</b>	<b>£8.52million</b>	

## Metropolitan Police Budget Proposals cont..

Note 1	Plans presented to the Metropolitan Police Authority in January 2011 include the proposal to remove 100 Sergeants from Safer Neighbourhood Teams, at a saving of <b>£4.5 million</b> in 2011/12. We believe Sergeants are an essential element of Safer Neighbourhood Teams, and we would therefore reverse this proposal.																								
Note 2	<p>We would fund four additional Safer Neighbourhood Teams in five of the Boroughs with the highest incidences of gun/knife crime. We have assumed the following costs for each additional Safer Neighbourhood Team:</p> <table><tr><th>Rank and number</th><th>Salary including on costs</th><th>Total Cost</th></tr><tr><td>1 Sergeant</td><td>£80,000</td><td>£80,000</td></tr><tr><td>2 Police Constables</td><td>£60,000</td><td>£120,000</td></tr><tr><td>3 PCSOs</td><td>£45,000</td><td>£135,000</td></tr><tr><td></td><td><b>TOTAL</b></td><td><b>£335,000</b></td></tr></table> <p>Total cost of 20 extra Safer Neighbourhood Teams (4 teams in each of 5 Boroughs) is <b>£6.7 million</b>.</p>	Rank and number	Salary including on costs	Total Cost	1 Sergeant	£80,000	£80,000	2 Police Constables	£60,000	£120,000	3 PCSOs	£45,000	£135,000		<b>TOTAL</b>	<b>£335,000</b>									
Rank and number	Salary including on costs	Total Cost																							
1 Sergeant	£80,000	£80,000																							
2 Police Constables	£60,000	£120,000																							
3 PCSOs	£45,000	£135,000																							
	<b>TOTAL</b>	<b>£335,000</b>																							
Note 3	<p>We propose to expand the existing Paladin team by funding the following additional posts:</p> <table><tr><td></td><td>Cost including overheads</td></tr><tr><td>3 Detective Sergeant</td><td>£240,000</td></tr><tr><td>8 Detective Constables</td><td>£480,000</td></tr><tr><td>Total</td><td><b>£720,000</b></td></tr></table> <p>Current MPS proposals would delete the existing post of Detective Inspector within the Paladin Team. We would re-instate this position, and have allowed <b>£100,000</b> for this including on-costs.</p> <p>In addition, we have allowed <b>£580,000</b> to be used for appropriate accommodation for the team in key locations.</p> <p><b>TOTAL PALADIN COST: £1,400,000</b></p>		Cost including overheads	3 Detective Sergeant	£240,000	8 Detective Constables	£480,000	Total	<b>£720,000</b>																
	Cost including overheads																								
3 Detective Sergeant	£240,000																								
8 Detective Constables	£480,000																								
Total	<b>£720,000</b>																								
Note 4	The MPA is currently withholding its subscription payment of £180,000 to ACPO. We would institute a review of all services currently supplied to the MPA/MPS by ACPO to reduce payments by at least <b>£500,000</b> in the year 2011/12.																								
Note 5	<p>The budget for the Directorate of Public Affairs in 2010/11 is £6.7 million, with 74 staff. We would reduce this to:</p> <table><tr><th>Salary level</th><th>Salary plus on costs</th><th>Number of staff</th><th>Total Cost</th></tr><tr><td>£100,000</td><td>£200,000</td><td>1</td><td>£200,000</td></tr><tr><td>£60,000</td><td>£120,000</td><td>5</td><td>£600,000</td></tr><tr><td>£40,000</td><td>£80,000</td><td>1</td><td>£80,000</td></tr><tr><td>£25,000</td><td>£50,000</td><td>3</td><td>£150,000</td></tr><tr><td></td><td><b>TOTAL:</b></td><td><b>10</b></td><td><b>£1,030,000</b></td></tr></table> <p>Saving would therefore be <b>£5,670,000</b>. We suggest that any redundancy payments be treated in the same way as existing MPS redundancy payments, i.e. through earmarked reserves.</p>	Salary level	Salary plus on costs	Number of staff	Total Cost	£100,000	£200,000	1	£200,000	£60,000	£120,000	5	£600,000	£40,000	£80,000	1	£80,000	£25,000	£50,000	3	£150,000		<b>TOTAL:</b>	<b>10</b>	<b>£1,030,000</b>
Salary level	Salary plus on costs	Number of staff	Total Cost																						
£100,000	£200,000	1	£200,000																						
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£40,000	£80,000	1	£80,000																						
£25,000	£50,000	3	£150,000																						
	<b>TOTAL:</b>	<b>10</b>	<b>£1,030,000</b>																						
Note 6	The intention would be that by the end of 2013/14 the number of Commander posts will be reduced by half. 5 Commander posts would be lost in 2011/12. A Commander's salary starts at c. £90,000. With on-costs this would be £180,000, so there would be a saving of <b>£900,000</b> in the year 2011/12.																								
Note 7	In 2010/11 the Met was budgeted to spend £2.7m on consultants, with a forecasted spend of £2.9 million. In keeping with central government drives we would reduce the amount spent by 50%, saving <b>£1.45 million</b> .																								

## Transport for London Budget Proposals

<b>Liberal Democrat Proposals: Increased expenditure</b>	<b>Additional cost 2011/12</b>	<b>Explanatory notes</b>
<p><b>A 'One Hour' bus ticket for London</b></p> <p>The 'One Hour' bus ticket is a fair way to charge passengers who have to take more than one bus in order to reach their destination. Tube passengers already enjoy this service and it is only right that London bus passengers can enjoy a time limited bus ticket, as passengers do in many other cities. We would introduce this scheme with the next fares package in January 2012.</p>	£15million	<b>Note 1</b>
<p><b>Bring back the outer London Travelcards</b></p> <p>The recent fares announcements for 2011 saw the removal of the Zones 2-6 and 2-9 Travelcards. This penalises those who live in outer London, forcing many to pay for travel in Zone 1 which they don't need. We would reintroduce these Travelcards immediately.</p>	£1million	<b>Note 2</b>
<p><b>Tackling poor air quality</b></p> <p>Air quality in London remains dangerously polluted, with London facing the prospect of large fines from the EU if action is not taken quickly. Radical proposals are needed in order to tackle poor air quality.</p> <p>We would fund specialist research and development work to be carried out in expanding the number of electric vehicles in use in the public sector, and to conduct in-depth feasibility studies into the use of electric vehicles for London's bus and taxi fleet.</p> <p>We would also fund a feasibility study to set up a Clean Air Zone for central London, as London's air quality continues to break health-based legal limits, focusing action where the problem is worst.</p>	£350,000	<b>Note 3</b>
<p><b>Sustainable travel fund</b></p> <p>We would introduce a fund for small grants available to schools, businesses and other community organizations to encourage people to walk and cycle, to help relieve the pressure on the current transport system, improve air quality and encourage healthy living.</p>	£2million	<b>Note 4</b>
<p><b>Ensuring cycling investment really works</b></p> <p>The initial two pilot Cycle Superhighways are still at their early stage. We believe that the pilot superhighways need to be fully evaluated over the year, to assess what has worked and not worked from the £23million</p>	£5million	



investment before any further cycle superhighways are completed and rolled out. We also believe that money will need to be spent adjusting the existing pilot routes to ensure they are as safe as possible for cyclists, particularly at some of the complex junctions.		
<b>London Promenade Scheme</b> The Thames and the river walkway should be accessible for all Londoners. The London Promenade is a proposal to broaden and improve the two and a half kilometres of walkway from Gabriel's Wharf to Butler's Wharf on the South Bank. This would encourage more people to walk to reach destinations up and down the Thames. We would fund a feasibility study looking at the business and economic case for this project.	£30,000	<b>Note 5</b>
<b>Support for River transport</b> Passenger use of the River Thames plays an important part in London's transport network. Despite the Mayor's River Concordat in November 2009, progress remains slow on fully integrating river services to make them accessible to both the leisure and commuter market. We will fund work on branding piers, trialing a system of contactless payment, developing real time information at piers, reviewing maps, bringing back evening river services and reviewing the subsidy for services. We propose a real revolution in promoting and encouraging the use of services on the river.	£5million	
<b>Total Expenditure</b>	<b>£28,380,000</b>	

<b>Liberal Democrat proposals: savings</b>	<b>Identified Savings 2011/12</b>	<b>Explanatory notes</b>
<b>Delaying the roll out of Cycle Superhighways - routes 2 and 8 and 5 and 12</b> From evidence gathered by the Transport Committee in the publication "Pedal Power", (November 2010), we are concerned that the cycle superhighways are being rolled out without a full evaluation and any modifications to the style that may be needed. We are therefore delaying the second phase of construction of cycle superhighways 2 and 8 and the design phase for routes 5 and 12.	£10million	<b>Note 6</b>

We will carry out a full evaluation of the initial two pilot routes and will ensure learning takes place to help shape the next four routes.		
<b>Removing TfL Staff Nominee Travel</b> At this time of tight financial settlements we think resources are better allocated to delivering services. TfL employees would retain their right to free travel themselves, but their right to nominate one other person of their choice to travel for free would be withdrawn. We would introduce this from October 2011.	£14.94million	<b>Note 7</b>
<b>Reduction in Management Consultancy</b> We would reduce just under 10% from the budget for management consultants.	£3.44million	<b>Note 8</b>
<b>Total savings 2011/12</b>	<b>£28,380,000</b>	

<b>Note 1</b>	<p>There were in the region of 450 million PAYG bus journeys in 2009/10, the latest figures available. According to TfL around 18% of these passengers went on to make a 2<sup>nd</sup> bus journey within the hour.</p> <p>18% of 450 million at £1.30 = £105million a year (Mayor's Question 3210/2010), but taking the daily cap into account, TfL advise us the cost would be £60million per year.</p> <p>Therefore aiming to introduce the One Hour Bus Ticket to start with the next fares package in January 2012:</p> <p>£60 million/4 = <b>£15million</b></p>
<b>Note 2</b>	In answer to Mayor's question 3889/2010, the Mayor replied that TfL estimated that it would cost less than <b>£1million</b> per year to reintroduce Zone 2-6 and 2-9 Travelcards. This includes lowering the cap on Oyster.
<b>Note 3</b>	For consultation, design and planning of low carbon public service vehicle provision – including Electric Vehicles. This estimate was taken from a leading Environmental Scientist, specialising in air quality and also includes funding for a study into a Clean Air Zone.
<b>Note 4</b>	100 x <b>£20,000</b> grants available for schools, community organisations or businesses to promote sustainable travel, for example walking, cycling or car-share for employees.
<b>Note 5</b>	See London Assembly Transport Committee report "Walk This Way" (Rapporteur Caroline Pidgeon AM), page 26 for further details. Costings of the feasibility study were supplied from Thames Promenade Limited.
<b>Note 6</b>	<p><b>Figures taken from Mayor's Question No: 5/2011</b></p> <p>How many Cycle Superhighways are planned for the next financial year and at what cost? <i>Caroline Pidgeon</i></p> <p><b>Written answer from the Chair and the Commissioner</b></p>

	<p>Two Barclays Cycle Superhighways are scheduled to open in financial year 2011/12: Route 8 (Wandsworth to Westminster), and Route 2 (Bow to Aldgate). The total combined budget for these routes is some <b>£22.33million</b>, which includes infrastructure and supporting measures costs, as well as an allowance for risk and contingency.</p> <p>Further information from TfL has confirmed that in the 2011/12 financial year £11.33million is due to be spent to complete the construction of routes 2 and 8. We would delay the final construction phase, pushing some spend into the 2012/13 financial year, making a saving of £5million.</p> <p>In the 2011/12 financial year design work is underway on routes 5 and 12. Design work is normally around 20% of the project, so delaying this for the year would save a further £5 million.</p>
<b>Note 7</b>	<p><b>Abolishing TfL Staff Nominee Travel</b></p> <p>As of 7 December 2010, there are 14,827 Staff Nominee Oyster cards issued to TfL employees. The annual cost of the Zone 1 to 6 Travelcard offered to nominees is £2016. The total is therefore £29,891,232 per annum. Under our proposals TfL Staff nominee's travel would be withdrawn from the 1<sup>st</sup> October 2011 therefore giving a saving of <b>£14.94million</b> in the financial year 2011/12. TfL staff will still retain their free Oyster cards.</p>
<b>Note 8</b>	<p><b>Reduction in Management Consultancy</b></p> <p>TfL has budgeted for £36million for management consultancy. We have reduced this by just under 10%</p>

## LFEPA Budget Proposals

<b>Increased expenditure - Liberal Democrat proposals</b>	<b>Additional Cost 2010-11</b>	<b>Explanatory Notes</b>
<b>Transfer to the MPA</b> With the need to support the budget of the MPA while investigations take place into the future structure of Safer Neighbourhood Teams, we would redirect money from LFEPA's reserves to the MPA to support this work	£4.08million	Note 1
<b>Total Increased expenditure</b>	<b>£4.08million</b>	
<b>Increased expenditure funded by:</b>		
<b>Liberal Democrat Proposals for savings in LFEPA</b>	<b>Identified savings 2010-11</b>	<b>Explanatory note</b>
<b>Use of excess LFEPA reserves</b> LFEPA's officers advise a prudent level of General Reserves for 2010-11 to be £10.9million. However the Authority currently anticipates holding far more by the end of 2010 -11	£4.08million	Note 1
<b>Total Savings</b>	<b>£4.08million</b>	

## Explanatory notes on identified savings

Note 1	The 7% reserves that LFEPA hold compares to the 1.5% the MPA are suggesting. The announcement of the local government finance settlement was favourable to LFEPA (because of the reworking of the distribution formula for the national fire grant) and the Authority has had a better settlement for next year (2012/13).
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## Greater London Authority Budget Proposals

<b>Increased expenditure Liberal Democrat proposal</b>	<b>Additional cost 2011/12</b>	<b><i>Explanatory notes</i></b>
<b>Award cost of living pay increase of 4% to the lowest paid staff at the GLA</b> This would affect 45 members of staff. Such a move would be in keeping with the policy of national Government to protect the lowest paid working in the Civil Service.	£50,000	<i>Note 1</i>
<b>Total additional expenditure 2011/12</b>	<b>£50,000</b>	
<b>Savings identified in the GLA: Liberal Democrat proposals</b>	<b>Identified Savings 2011/12</b>	<b><i>Explanatory notes</i></b>
<b>Reduce use of Temporary Staff</b> In the financial year 2010/11 to date, for which we have figures available, the GLA spent £1,552,141.81 on agency and temporary agency staff.	£50,000	<i>Note 2</i>
<b>Total savings 2011/12</b>	<b>£50,000</b>	

Explanatory notes to our proposals

<i>Note 1</i>	Assembly Members supported a motion on 19 January which called on the GLA's chief executive to award a 4% pay increase to the 45 GLA staff on Grade 3 and below. <a href="http://www.london.gov.uk/media/press_releases_london_assembly/assembly-backs-modest-pay-rise-lowest-paid-gla-staff">http://www.london.gov.uk/media/press_releases_london_assembly/assembly-backs-modest-pay-rise-lowest-paid-gla-staff</a>
<i>Note 2</i>	In the financial year 2010/11 to date, for which we have figures available (i.e. Periods 1 to 10, or 1 April 2010 to 8 January 2011), the GLA spent £1,552,141.81 on agency and temporary agency staff. Data from payments over £1000 and over £500 lists: <a href="http://www.london.gov.uk/who-runs-london/greater-london-authority/expenditure">http://www.london.gov.uk/who-runs-london/greater-london-authority/expenditure</a>

**PART B: Proposal to approve, with amendments, the Draft Consolidated Budget for the 2011-12 financial year for the Greater London Authority and the Functional Bodies.**

**RECOMMENDATIONS:**

**FORMAL BUDGET AMENDMENT**

1. The Mayor's draft consolidated budget (together with the component budgets comprised within it) for 2011-12 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 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 budget requirement for 2011-12 for each constituent body as follows:

<i><b>Constituent body</b></i>	<i><b>Component budget requirement</b></i>
<b>Greater London Authority: Mayor of London</b>	<b>£138,617,000</b>
<b>Greater London Authority: London Assembly</b>	<b>£8,000,000</b>
<b>Metropolitan Police Authority</b>	<b>£2,717,080,000</b>
<b>London Fire and Emergency Planning Authority</b>	<b>£405,320,000</b>
<b>Transport for London</b>	<b>£6,000,000</b>
<b>London Development Agency</b>	<b>£0</b>

3. The component budget requirements shown in recommendation 2 above, give rise to a consolidated budget requirement for the Authority for 2011-12 (shown at Line 55 in the attached Schedule) of -

**£ [3,275,017,000]**

**BUDGET RELATED MOTIONS**

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

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**NOTES:**

- a. A simple majority of votes cast by Assembly members is required to approve any amendment to recommendations (1) to (3) above concerning the Draft Consolidated Budget; abstentions are not counted.
- b. To approve the Draft Consolidated Budget, without amendment, only a simple majority of votes cast is required. Again, abstentions are not counted.

## SCHEDULE

### Part 1: Greater London Authority: Mayor of London ("Mayor") draft component budget requirement calculations

NOTE: Amendments to the draft component budget 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)	£212,696,000		estimated expenditure of the Mayor calculated in accordance with s85(4)(a) of the Act
(2)	£10,621,000		estimated allowance for contingencies for the Mayor under s85(4)(b) of the Act
(3)	£5,000,000		estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the Act
(4)	£0		estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the Act
(5)	<b>£228,317,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for the Mayor (lines (1) + (2) + (3) + (4) above)
(6)	-£80,200,000		estimate of Mayor's income calculated in accordance with s85(5)(a) of the Act
(7)	-£9,500,000		estimate of Mayor's reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the Act
(8)	<b>-£89,700,000</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for the Mayor (lines (6) + (7))
(9)	<b>£138,617,000</b>		the component budget requirement for Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (8) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the Mayor for 2011-12 is: £138,617,000**

**Part 2: Greater London Authority: London Assembly (“Assembly”) draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
<b>Line</b>	<b>Mayor’s proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(10)	£8,000,000		estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the Act
(11)	£0		estimated allowance for contingencies for the Assembly under s85(4)(b) of the Act
(12)	£0		estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the Act
(13)	£0		estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the Act
(14)	<b>£8,000,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for the Assembly (lines (10) + (11) + (12) + (13) above)
(15)	£0		estimate of the Assembly’s income calculated in accordance with s85(5)(a) of the Act
(16)	£0		estimate of the Assembly’s reserves to be used in meeting amounts in lines (10) and (11) above under s85(5)(b) of the Act
(17)	<b>£0</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for the Assembly (lines (15) + (16))
(18)	<b>£8,000,000</b>		the draft component budget requirement for the Assembly (being the amount by which the aggregate at (14) above exceeds the aggregate at (17) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the Assembly for 2011-12 is: £8,000,000**



**Part 3: Metropolitan Police Authority ("MPA") draft  
component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
<b>Line</b>	<b>Mayor's proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(19)	£3,547,200,000	<b>£3,551,280,000</b>	estimated expenditure of the MPA for the year calculated in accordance with s85(4)(a) of the Act
(20)	£25,100,000		estimated allowance for contingencies for the MPA under s85(4)(b) of the Act
(21)	£0		estimated reserves to be raised for meeting future expenditure of the MPA under s85(4)(c) of the Act
(22)	£0		estimate of reserves to meet a revenue account deficit of the MPA under s85(4)(d) of the Act
(23)	<b>£3,572,300,000</b>	<b>£3,576,380,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for the MPA (lines (19) + (20) + (21) + (22) above)
(24)	-£824,500,000		estimate of the MPA's income calculated in accordance with s85(5)(a) of the Act
(25)	-£34,800,000		estimate of MPA's reserves to be used in meeting amounts in lines (19) and (20) above under s85(5)(b) of the Act
(26)	<b>-£859,300,000</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for the MPA (lines (24) + (25))
(27)	<b>£2,713,000,000</b>	<b>£2,717,080,000</b>	the draft component budget requirement for the MPA (being the amount by which the aggregate at (23) above exceeds the aggregate at (26) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the MPA for 2011-12 is: £2,717,080,000**

**Part 4: London Fire and Emergency Planning Authority (“LFEPA”) draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(28)	£459,600,000		estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the Act
(29)	£0		estimated allowance for contingencies for LFEPA under s85(4)(b) of the Act
(30)	£0		estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the Act
(31)	£0		estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the Act
(32)	<b>£459,600,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for LFEPA (lines (28) + (29) + (30) + (31) above)
(33)	-£30,900,000		estimate of LFEPA’s income calculated in accordance with s85(5)(a) of the Act
(34)	-£19,300,000	<b>-£23,380,000</b>	estimate of LFEPA’s reserves to be used in meeting amounts in lines (28) and (29) above under s85(5)(b) of the Act
(35)	<b>-£50,200,000</b>	<b>-£54,280,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for LFEPA (lines (33) + (34))
(36)	<b>£409,400,000</b>	<b>£405,320,000</b>	the draft component budget requirement for LFEPA (being the amount by which the aggregate at (32) above exceeds the aggregate at (35) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for LFEPA for 2011-12 is: £405,320,000**

**Part 5: Transport for London ("TfL") draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(37)	£8,441,000,000	<b>£8,455,940,000</b>	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the Act
(38)	£154,000,000		estimated allowance for contingencies for TfL under s85(4)(b) of the Act
(39)	£245,000,000		estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the Act
(40)	£0		estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the Act
(41)	<b>£8,840,000,000</b>	<b>£8,854,940,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for TfL (lines (37) + (38) + (39) + (40) above)
(42)	-£8,834,000,000	<b>-£8,848,940,000</b>	estimate of TfL's income calculated in accordance with s85(5)(a) of the Act
(43)	£0		estimate of TfL's reserves to be used in meeting amounts in lines (37) and (38) above under s85(5)(b) of the Act
(44)	<b>-£8,834,000,000</b>	<b>-£8,848,940,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for TfL (lines (42) + (43))
(45)	<b>£6,000,000</b>	<b>£6,000,000</b>	the component budget requirement for TfL (being the amount by which the aggregate at (41) above exceeds the aggregate at (44) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for TfL for 2011-12 is: £6,000,000**

**Part 6: London Development Agency ("LDA") draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(46)	£213,700,000		estimated expenditure of the LDA for the year calculated in accordance with s85(4)(a) of the Act
(47)	£3,000,000		estimated allowance for contingencies for the LDA under s85(4)(b) of the Act
(48)	£0		estimated reserves to be raised for meeting future expenditure of the LDA under s85(4)(c) of the Act
(49)	£0		estimate of reserves to meet a revenue account deficit of the LDA under s85(4)(d) of the Act
(50)	<b>£216,700,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for the LDA (lines (46) + (47) + (48) + (49) above)
(51)	-£216,700,000		estimate of the LDA's income calculated in accordance with s85(5)(a) of the Act
(52)	£0		estimate of the LDA's reserves to be used in meeting amounts in lines (46) and (47) above under s85(5)(b) of the Act
(53)	<b>-£216,700,000</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for the LDA (lines (51) + (52))
(54)	<b>£0</b>		the component budget requirement for the LDA (being the amount by which the aggregate at (50) above exceeds the aggregate at (53) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the LDA for 2011-2012 is: £0**

**Part 7: The Greater London Authority ("GLA") draft consolidated budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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
<b>Line</b>	<b>Mayor's proposed consolidated budget requirement</b>	<b>Budget amendment's proposed consolidated budget requirement</b>	<b>Description</b>
(55)	<b>£3,275,017,000</b>		the GLA's consolidated budget requirement (the sum of the amounts in lines (9) + (18) + (27) + (36) + (45) + (54)) calculated in accordance with section 85(8) of the Act

**The draft consolidated budget requirement for 2011-12 is: £3,275,017,000.**

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## **Report to the Assembly on the Mayor's Draft Consolidated Budget for 2011 – 2012**

**Report to:** London Assembly

**Date:** 10 February 2011

**Report of:** The London Assembly Labour Group

**Proposed by:** John Biggs

**Seconded by:** Valerie Shawcross

### **PART A: INTRODUCTION & COMMENTARY<sup>1</sup>**

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<sup>1</sup> 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.

**Labour Group Alternative  
Greater London Authority Budget**

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**2011 – 2012**

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**By the London Assembly Labour Group:**

**Jennette Arnold**

**John Biggs**

**Len Duvall**

**Nicky Gavron**

**Joanne McCartney**

**Murad Qureshi**

**Navin Shah**

**Valerie Shawcross**

February 2011



## **Introduction**

The Greater London Authority is the strategic authority for London. Its decisions, leadership, and priorities will help to determine the future prosperity of our City. And the priorities and leadership of our Mayor, working in partnership with Government and driven by his priorities for our City, are key determinants of the success of London's economy and the prosperity and security of its citizens.

We note the GLA budget is substantially driven by Government funding, cuts to which we consider to be excessive and being implemented too fast, placing the UK economy at grave risk of a prolonged recession and a failure of future growth. This will undo the work of the previous Labour Government which led and oversaw the longest period of continuous economic growth in modern UK history and rescued the country from potential banking collapse and the incalculable consequences that would have bought the UK economy. The two key insights to understanding the Mayor's responsibilities to London in this spending climate are that public investments – in infrastructure, in skills, in building strong institutions and in the reduction of poverty and unlocking the potential of all of our communities – are a key part of the investment that achieved that growth, and that the London Mayor must make a strong case to Government to secure that investment.

Each year the Mayor has the opportunity through his budget to make clear to Londoners his vision for, and to show leadership to, our City. We believe that the Mayor, as shown through this budget, is making the wrong choices, is failing in his leadership and that London is heading in the wrong direction. In his laissez-faire approach he massively underestimates the need for leadership. And he has failed to stand up for London against the cuts being made by Government – indeed he is one of their greatest cheerleaders.

Making the correct decisions at the GLA, as the strategic authority for London, is fundamental to maintaining the strength of London's economy. To add to the challenge, while our City faces challenges to secure growth, City Hall itself is going through change. The collapse in funding for job creation and regeneration at a time of economic challenge is an act of political vandalism. The scaling back of investment in London's transport and failure to plan for the future is similarly jeopardising our ability to manage and nurture growth. And the cuts in police budgets, and reductions in police numbers, risk a reduction in the sense of safety, and an increase in the fear of crime, that are so fundamental to the prosperity and safety of our City. On each of these matters the Mayor has failed to properly stand up for London and show leadership.

## **The impact of the Cuts**

We note that the impact of the cuts on London's services will be severe and that, in particular, the severest cuts have been imposed on the poorest communities. As far as City Hall is concerned, the savings, when added to those imposed last year, mean that Londoners are substantially worse off under Boris Johnson and will mean a real reduction in the capacity of City Hall to serve Londoners. Our position is that:

- We understand in particular the hardship being experienced by Londoners, and the very real threat of a 'double-dip' recession precipitated by spending cuts and consequential loss to the economy and to Londoners quality of life. We believe the role of our Mayor is to speak up for London. While we note he has lobbied on some matters, his position has been essentially to stand up for the Government rather than for the people who elected him. A Mayor who understood London's needs would lobby Government on the impact of the cuts and other tax rises on the London economy, and would understand not just their risk to Londoners but to the wider UK economy.
- We support the freeze in Council Tax precept. However, this is happening in parallel with substantial above-inflation fare increases which, together with rises in other taxes, means most Londoners will be far worse off. We note that the additional grant awarded for the freeze offsets only a small proportion of the overall cuts we face. It is less the

case that its award is a reward than that the threat of its non-payment is a threat of further punishment for Londoners.

- Other than in his first year, when he inherited Labour's last budget, each year under Boris Johnson has seen a reduction in full-time officer numbers. We note that this year the slide quickens, accelerated by a recruitment freeze, and that there will be a reduction in the number of full-time police officers of about 600, plus a reduction in PCSO numbers. Together with other cuts in the Metropolitan Police Service, this is a dramatic loss in capacity and risks a loss in public confidence, with many years progress in reversing levels of recorded crime and the fear of crime placed under threat. This problem is exacerbated by a growing lack of transparency under the MPA's current Chairman which has made our scrutiny of the budget proposals difficult, as for example exemplified by the ambiguity of his position on neighbourhood policing, which the Mayor both claims to support and is currently proposing to cut. This does not auger well for the accountability of policing under the new arrangements, and the willingness of the Mayor to be held to account for his decisions. The Mayor should be lobbying the Government vigorously about this threat to Londoner's safety.
- While we support the abolition of the London's RDA, the London Development Agency, and the vesting of its powers in City Hall (indeed, this was first proposed by a Labour Government), this is meaningless without the resources to do its job. The catastrophic cut in its grant funding, combined with the Government's centralisation of skills funding, compounds the risks to London's economy at a time when public intervention is required. Whilst we note that the Mayor is engaged in a frantic rearguard action to secure some funding, his ambitions are inadequate and the crisis would not have happened if he had not failed to make London's case. This highlights a fundamental difference between the Labour position and that of the Mayor and his coalition Government – a time of economic stress is precisely the wrong time to cut investment in Londoners skills and in preparing London's businesses for the future. The Mayor and the coalition, on the other hand, see such investment as an essentially unnecessary overhead. Londoners need leadership from their Mayor on skills and employment, on tackling unemployment, particularly youth unemployment, such as through training and apprenticeships, and are not receiving it. Finally, we remain concerned that an increased proportion of residual LDA funding will be devoted to the Mayor's vanity projects and not to the basic needs of Londoners.
- While there are no catastrophic cuts to the Fire & Rescue Services in the current year, we note that the continuing budgetary pressure resulting from the CSR means far greater cuts will be needed in years 2013/14 and 2014/15. Under the Coalition Government spending plans, massive savings to the tune of £78m will be required for these last two years. There is no clear indication of how LFEPA is planning to avoid a potential crisis with its budget over the next few years and how it will maintain efficient and quality services to Londoners as set out in the Authority's London Safety Plan. What is certain is that ill-thought out proposals by the Chairman of the Authority to cut 27 fire engines without any form of risk assessment or consultation is unwelcome.

Londoners need clarity and assurance on the level of services they will receive. We call for a public debate so that people can see what the far-reaching effects of any planned cuts will mean for their frontline services. It will be a betrayal of his duty to Londoners if the Mayor chooses to silence this debate until the Mayoral elections are over in the hope that his lack of leadership on these issues is not exposed.

- Transport budget cuts are being funded by a combination of high fare rises and a retreat from ambition in investment and growth in London's transport network. While services are being maintained this year, the fall in bus subsidy while cost pressures rise risks service cuts in future years. And the post-PPP tube service appears to lurch from one breakdown to the next. As regards investment, and while we welcome Crossrail,

albeit delayed, and the tube upgrades programme, even though this has been scaled back, we note that no new transport projects of significance have been announced under the Mayor – merely a retreat from previous ambition. Indeed, there has been no significant transport investment proposal under the current Mayor – merely the programme inherited from his predecessor minus the cuts to it he eagerly made on his election in 2008. We note also that the closure of the Western Extension of the Congestion zone, while doubtless welcome in some circles, has led to a loss of TfL's income equivalent to a 2% fare rise for all Londoners – it is important that the Mayor is reminded, and Londoners are aware, of the consequences of his decisions. Investment in and growth to our transport system is vital for London's future and we note that a wide range of stakeholders take this view. We want to resume the debate on how to achieve a transport system fit for London, and to highlight the failures of ambition, and leadership, under Boris Johnson.

- While there have been efficiency savings in City Hall the number of higher-paid staff supporting the Mayor has increased substantially in the past year. This represents a predictable double-standard by those who preach efficiency but do not practice it when they are personally involved. It highlights the detachment of the administration at City Hall from the lives of most Londoners.
- The budget statement is deficient in addressing a range of other issues, including sustainability, on which it is largely silent and gives little sense of priority, and equality. As an example of the latter, if one looks at the impact of the Mayor's decisions on women, for example with the affordable childcare programme, which is cut, or on domestic violence, where priority is slipping, we can see a Mayorality which claims to address concerns but which in detail does not.
- City Hall is, in addition, receiving new powers during the next 12 months. The budget proposals in front of us do not contain a strategic view in anticipation of this. As an example, the Mayor will assume major new powers over housing investment. He needs to be clearer about the priority this will need to have, including the need to lobby for the extra resources our city will need to meet existing demand and future growth, with good design and a focus on sustainability. The budget in front of us is largely silent on these challenges and how in the coming year we will prepare for and assume those duties.

The Greater London Authority under the Mayorality is a powerful vehicle for change. In order to fulfil this potential it must be driven by a vision, and by ambition. Fundamentally, that is what this 'tail-end' budget, with its retreat on policing and its failure to understand the concerns and insecurity of many Londoners, and its failure to offer leadership to ensure a growing city maintains its place as a World City, lacks. The risk is not that we simply fail to meet new challenges but that, in as highly competitive world, we go backwards. His budget contains a fragmented and disjointed set of proposals that shows little understanding of the leadership our city needs.

### **Labour's Alternative Budget**

We note that the budget settlement is not yet totally clear, as the Mayor awaits final decisions on a settlement for the LDA. We will of course welcome additional funding. This does however also mean that our draft alternative budget cannot be finalised until these matters are resolved.

Our alternative strategy contains the following principle elements:

- A further recruitment of police officers, to lessen the cut in numbers in the Mayor's budget.
- A partial reversal of the transport fares increase.
- Programmes and projects to reverse cuts in the LDA budgets

- A range of other initiatives to tackle priorities for Londoners.

They are spelt out in greater detail in the following pages. They are designed to mitigate the effects of the cuts but we recognise that the scale of savings dictated by Government policy cannot happen without real losses to Londoners. Only a change of direction for London, starting with a different Mayor, can secure change.

## Core Greater London Authority - Mayor

<b>Core Greater London Authority Mayor's Budget</b>	<b>£138,617,000</b>
<b>Nil change (but see below)</b>	
<b>Additional spending on London's priorities and needs</b>	
Fund the final year of the Childcare Affordability Programme	£2,600,000
Create a Targeted Employment fund	£4,000,000
Expand the Re:New initiative, providing for a further 25,000 homes	£3,000,000
Reinstate the London Zoo & Wetlands Centre agreements	£600,000
<b>Efficiencies and Savings</b>	
Reduce contingency element of budget to	£0

The Majority of our proposals are to fund projects previously funded by the LDA. As the Mayor has stated, and as reported to the LDA Board in January this year, this creates massive uncertainties. Our proposals are designed to create vital interactions to help Londoners at this time of economic stress and instability. ***However, as the Mayor has not yet received a budget for the LDA, or made clear his proposals, this section is in a very draft form and will be reviewed once his intentions are clear.***

### Childcare Affordability Programme

We would fund the final year of the recently aborted Childcare Affordability Programme, which has helped thousands of parents into work who otherwise would remain outside the workforce due to high childcare costs: Cost £2.6 million (this is based on the £8 million total cost of the CAP09 programme over a 3 year period), to be funded from the £10.2million contingency held in the Core GLA budget. The abrupt ending of the programme, announced in January 2011 means that little or no alternative subsidised childcare is available to those currently taking part in the programme.

This would help keep many parents with children under 5 in work over the next year. The continuation of the programme during 2011/12 can also be justified on the basis of its broader economic value, but also its fairness, a vital theme that any Mayor should consider. As well as providing a valuable service for families, childcare workers release earnings potential by allowing parents to continue working. They also unlock social benefits in the shape of the learning opportunities that children gain outside the home. This is illustrated clearly by the New Economics Foundation's 'A Bit Rich' report, which found that for every £1 they are paid, childcare workers generate between £7 and £9.50 worth of benefits to society.

### Targeted Employment Fund

Around 7% of London's working-age population are unemployed, compared to 6% in the rest of England. After beginning to rise again in 2008, the level of unemployment in London is back

to where it was in the late 1990s. Clearly, poverty in London has accelerated as a result of the economic downturn and, as such, we propose ring-fencing £4 million of the contingency reserved in the 2011/12 core budget for projects specifically aimed at mitigating downturn induced poverty in London through improving employment prospects and supporting and promoting economic growth. One of the components of the fund will be aimed at providing a public to private sector transition programme for those former public sector employees in London who lost their jobs as a result the Coalition Government's cuts to local government grants.

The unemployment rate among young adults in London is disproportionately high and higher than at any time in the previous 17 years. One in three of London's unemployed population are aged under 25. While the government continues to provide programmes aimed at 16-24 year old 'NEETs' (Not in Employment Education or Training), the brokerage schemes being financed do not meet the needs of those hardest to reach; particularly the Black and Minority Ethnic Community, which has an unemployment of almost 50% amongst 16-24 year olds. As such, £1.5 million of the £4 million Targeted Employment Fund budget will be provided in the form of a grant to the London Voluntary Service Council to finance a team with the remit of liaising with the 32 boroughs, providing them with borough-by-borough skills and employment training opportunities provided by the voluntary sector.

### **RE:NEW**

The RE:NEW programme is an admirable and timely scheme that saves householders money on ever-rising fuel bills and reduces London's CO<sub>2</sub>, thus helping contribute to our carbon reduction programme. By streamlining various initiatives and funding streams into one scheme which targets an area, going direct to people's homes to provide information and practical measures to reduce energy consumption, the initial cost to the provider is recouped by the householder in reduced fuel bills in just two years. It should therefore be supported and brought to as many homes as possible, as quickly as possible.

The pilots and trials have shown that initial, easy energy saving measures can be brought to people's homes for an average cost of £157, but we are confident that with economies of scale and by bringing in the energy companies to support RE:NEW as part of their national obligations, we can reduce the cost per home to an average of £120.

The current programme proposes to reach 200,000 homes by 2012, but we feel the value of this scheme is such that we want to see it rolled out faster. For this reason, we want to commit an additional £3 million in order to reach an additional 25,000 homes in 2011/12.

The Mayor has allocated funding for the current phase of RE:NEW which runs until 2012, by which time the Mayor hopes that central Government will take over, fulfilling the RE:NEW aspiration of treating 1.2 million homes with energy saving measures by 2015. As central Government is already making deep and substantial cuts across what are perceived to be soft budgetary targets, we believe this transition to centrally provided funding is unlikely to take place. Unless the programme is stepped up now, with GLA funding, we have serious doubts that the ambitious target of 1.2 million homes will be reached.

### **London Zoo and Wetland Centre**

This scheme, which began receiving funding from the GLA in 2001, will come to an end in March 2011. Boris Johnson personally signed a mayoral decision form in November to bring it to an end.

In 2007 98,330 school children visited London Zoo - more than three quarters did so for free through the funding programme. The cash from the GLA currently gives pupils from every one of the 2,583 state schools in London the opportunity to take part in a free educational visit to London Zoo or the Wetland Centre in Barnes each academic year.

We believe that these types of visits are important and should not be decided upon purely by the income of a child's parents or the type of school they attend to determine whether they can access fantastic educational facilities like these and these successful schemes should continue. This programme helps to both broaden educational experience and to bring this in particular to those without the family background or resources to ordinarily enjoy this enrichment.

<b>Core Greater London Authority – Assembly</b>	<b>£8,000,000</b>
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We note that the Assembly Budget has, in percentage terms of like-for-like revenue spending, achieved a greater saving than the Mayor’s budget. Were the Assembly Budget to achieve the same level of savings as the mayor’s budget it would be set at £8.49million.

Although we propose no change in the Assembly’s budget this year, it is important to note that just as the Mayor is taking on new responsibilities as part of the government’s Localism Bill, and is already increasing the staffing of the GLA to accommodate this, the Assembly will also be taking on more scrutiny responsibilities to ensure the Mayor fulfils his duties, and a re-evaluation of support staff for the Assembly will be necessary over the coming months. We make this point because we, and we understand a majority of Assembly Members, reject the Mayor’s assertion in his budget report that whatever additional duties the Assembly secures can be supported from within its existing budget.

The work of the Assembly is a core and vital part of the work of London’s Government. In particular, during this year the Assembly will, together with other additional duties, be taking over the scrutiny of policing, a service with annual budgets in excess of £3billion.



## Metropolitan Police Authority

<b>Metropolitan Police Authority</b>	<b>£2,713,000,000</b>
<b>No change (but see below)</b>	
<b>Initiatives in support of Londoners</b>	
Save 200 Police Officers posts	£10,170,000
Restore the 32 Safer School Team PCSOs	£1,020,000
Youth, Gangs and Knife Crime	£4,000,000
Initial bursary fund for qualifying new police officer recruits	£90,000
Co-locating Borough Child Protection Teams with Local Authority Teams	£156,000
<b>Efficiencies and savings</b>	
Cut unnecessary 1 <sup>st</sup> and Business Class air travel	£1,500,000
Cut the MPS media department by 50%	£3,400,000
Cut the consultants budget by 50%	£1,450,000
Reduce the Senior Officer Cars budget	£138,000
Move to more leased contracts for cars, rather than hiring them	£298,000
Increase revenue from events	£1,000,000
Reduced overtime budget	£4,400,000
Reduced subscription to Association of Chief Police Officers	£110,000
Reduction in hotel budget of 50%	£140,000
Estates budgets:	
Co-location of offices and rent raised from lettings	£1,000,000
Additional Corporate Real Estate Savings	£2,000,000

Our aim is to minimise cuts to policing arising from the Mayor's budget.

The Coalition government is making drastic cuts to the funding that the MPS receive and the Mayor's response is to cut 581 Police Officers and 790 PCSOs. We note that the Mayor has made cuts in the number of police in London in all of his budgets, despite a promise to retain police numbers at the historically high levels achieved by the previous Mayor. We are deeply

concerned that these further cuts will jeopardise the safety and confidence of Londoners. In addition to recruiting 200 police officers, we will lobby the government to rethink its policy of cutting police funding and put in adequate resources to enable London to restore its pre-budget level. And whilst there are undoubted efficiency savings to be made, further cuts to the number of police support staff also risk reducing time officers are able to spend on our streets and risk forcing them back behind desks.

The Commissioner had stated that the MPS will “shrink” and that this is a very difficult time in policing as a result of the extent of the budget cuts. Partners, such as local authorities, are also facing shrinking budgets and having to make difficult choices as to which services to axe. This means that there is a real risk partners will withdraw from contributing to the ‘purchase’ of additional police officers and funding for crime prevention work, all of which adds additional pressure to an already stretched police force. In the longer term, particularly post Olympics in 2012, we expect things to get much more difficult for the MPS, especially in maintaining police numbers.

We are proposing the following changes:

We plan to put back onto the streets an extra 200 police officers and will retain an additional 32 PSCOs in the Safer Schools Teams. We would halt the planned halving of the number of safer neighbourhood team sergeants.

Knife crime and serious youth violence is rising.<sup>2</sup> We believe that investment in crime-prevention programmes are vitally important and in the long-term interests of London. We are extremely concerned that the Mayor is retreating from funding many prevention programmes across our City. The removal of the BOCU fund (£8m) which supported partnership work in every London Borough and cuts to officer numbers working in Safer Schools Teams are evidence of this approach. We believe that this funding is essential in preventing our young people from starting a life of crime, joining a gang, or becoming a victim of the rise in serious youth violence and knife crime. As a result we plan to allocate £4m to support partnership work at local and pan-London level aimed at young people in addressing knife crime and gangs. We would also ensure that the number of officers dedicated to Safer Schools Teams are enhanced.

As we stated last year, we will set aside money in order to implement the recommendation of the Laming Progress Report<sup>3</sup> regarding co-location of child protection teams. We will roll-out the process of co-locating MPS Public Protection Desks and Local Authority child protection teams that has begun successfully in Haringey.

A police force that is diverse and reflects London’s citizens is important in maintaining the public’s trust. The MPS have made great strides in this over the last decade. However, we are concerned that new arrangements of recruiting police officers primarily through the MSC risks making it difficult for certain groups to embark on a career in the MPS. In order to alleviate the hardship some will undoubtedly face, we will set up a bursary scheme to help those who are less well off or are time poor and need help to overcome these initial hurdles.

We believe that rather than make cuts to the frontline the Mayor should be looking at making further cuts to non-essential spending. We would ask police staff to fly economy and not first class; we will ask them to stay in a budget hotel outside the central zone; we would cut the number of spin doctors in the MPS and the number of consultants they employ; we would reduce the number of chauffeur driven cars the top officers use; we will ask the MPS to acquire any cars they do need on a long lease rather than a short hire deal; we would reduce the MPS fees to ACPO; we would make more savings on rationalising the estate in this financial year; and we would make further savings to the overtime budget.

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<sup>2</sup> There was a 8.3% increase in knife crime during 2010, but the number of young people that have been a victim of knife crime has gone up by a staggering 17.8%. The increase in knife crime is mirrored by a 3.1% increase in serious youth violence.

<sup>3</sup> The Protection of Children in England: A Progress Report

We note that the MPS are currently in discussions with the government regarding the costs of policing the Royal Wedding. At this welcome national celebration it is estimated that policing costs could amount to £5M. We believe national government should pay the costs of this operation which we would use to further increase police officer numbers.

All of our savings proposals will mean less waste and more police on the streets, which is what Londoners want too.

## London Fire and Emergency Planning Authority

<b>London Fire and Emergency Planning Authority</b>	<b>£409,400,00</b>
<b>No change</b>	

We propose no change to LFEPA's budget. However, the raid by the Mayor on LFEPA's reserves to the tune of £20m will leave a tough legacy and difficult choices for the 2013/14 and 2014/5 budgets due to the unprecedented level of savings to be found. We would bring forward the review of the budget strategy so that there is transparency before the next stage of budget cuts approaches. This is vital in order that Londoners and decision-makers understand the funding challenges we face. Crucial questions need to be addressed on the deployment of resources across the GLA family as a whole, and, significantly, how and whether this should be applied to mitigate or avoid cuts to LFEPA front-line operations and to assess any impact on the London Safety Plan.

## Transport for London

<b>Transport for London Mayor's call upon the precept</b>	<b>£6,000,000</b>
<b>No change (but see below)</b>	
<b>Support for Londoners</b>	
Reduce the 7% bus fares rise by cutting the RPI+2% increase to RPI	£24,000,000
Restore the 2-6 Travel card facility	£500,000
Additional Step-Free Access Projects	£50,000,000
Tube Station minimum staffing levels guarantee (equivalent to restoring 100 full-time staff)	£5,000,000
<b>Income Growth and savings in support of Londoners</b>	
Revised and more realistic growth in Public Transport ridership	£12,000,000
Suspend Pedestrian Traffic lights removal project "Smoothing the Traffic"	£800,000
Transfers from Reserves	£66,700,000

The Mayor needs to get back to basics in delivering a sound, affordable and reliable transport service.

The bus service serves the majority of Londoners well, but with 2 years of inflation busting increases the service is becoming unaffordable for some of the poorest and lower paid in our community.

We intend to improve access to the transport network further and restore some of the Mayor's dropped projects - these improvements benefit everyone.

We are concerned that the combination of high fares and understaffed stations will deter more people from using public transport hence we aim to restore some of the station staffing lost from quiet underground stations at night. This, combined with the loss of the zone 2-6 travel card facility, has led to the Mayor undermining transport services in outer London.

We are not able to reverse the abolition of the Western Extension of the Congestion Charging Zone, as it has been scrapped following due consultation and revision of the transport strategy. However, we believe it is important to highlight to Londoners the opportunity cost of its abolition. With net revenues of £55million, its cost to Londoners is equal to

- approximately 2% on fares, or
- 183 hybrid double-decker buses, which give out fewer emissions and would help with London's poor air quality, or
- Reinstate the Step Free Access Programme at stations such as Harrow-on-the-Hill, or

- Build the Surrey Canal road Station on Phase 2 of the East London Line, or
- Retrofitting over 280 TfL buildings in 2011 / 12.

While it is perfectly proper, if he chooses, to scrap the zone, a responsible Mayor would have considered the consequences of abolition for all Londoners, rather than purely buying the votes of a small group of Londoners. And Londoners need to be reminded of the consequences of his decision

## London Development Agency

London Development Agency	£ NIL
No change	

The London Development Agency makes no call on the precept, but its duties and, therefore, budget remain central to the Authority's remit of promoting economic development and wealth creation in Greater London, promoting social development in Greater London, and promoting the improvement of the environment in Greater London.

However, given the estimated cut of 49% in LDA thematic programme expenditure - from £166.6 million to £85.6 million - between the 2010/11 and 2011/12 budgets periods, the ability of the LDA to contribute to the delivery of this remit is much diminished. This assertion is supported by the LDA board's July 2010 conclusion that a cut in government grant of 13% or greater to the £275 million in 2010/11 (after in-year cuts) in the 2011/12 grant would be "a break even point, beneath which critical mass would be an issue". If we extrapolate on this conclusion in specific relation to LDA's thematic programme expenditure the LDA's ability to 'deliver' in 2011/12 is highly questionable.

The current economic climate and, in particular, the Office for National Statistics' January announcement that the UK economy had shrunk by 0.5% in the fourth quarter of 2010, means that prioritising LDA funding towards job creation and retention should be an essential feature of the 2011/12 LDA thematic programme budget. It is of concern, then, that the LDA budgets for the Regeneration, Sustained Employment, Business Support, and International Promotion programmes have been cut so significantly in comparison with 2011/12; -56% -36%, -54%, and -73% respectively.

The LDA's record as a driver of economic growth for London is impressive - as illustrated by the fact that Agency has created total of 24,407 jobs sine May 2008. Its ability to continue creating jobs or support people to remain in work should not be discounted and must be amongst the Agency's highest priorities in its wind-down year.

While the Mayor has acknowledged that "the job creation rate achieved by the LDA is good for London" and that he has "been actively lobbying the Government for the best possible settlement for economic development investment in London", he has accepted that it is "inevitable that there will be cutbacks in investment".

This is an unacceptably defeatist position for the Mayor to take and, with this in mind, we are proposing that the LDA administers the projects highlighted under the Core GLA Budget heading in this document.

***As with the Core GLA Budget, the work on this section of our amendment remains work in progress while we await a budget settlement from Government. However, we do not envisage a departure from the headline of a zero call on precept.***

**PART B: Proposal to approve, with amendments, the Draft Consolidated Budget for the 2011-12 financial year for the Greater London Authority and the Functional Bodies.**

**RECOMMENDATIONS:**

**FORMAL BUDGET AMENDMENT**

1. The Mayor's draft consolidated budget (together with the component budgets comprised within it) for 2011-12 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 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 budget requirement for 2011-12 for each constituent body as follows:

<i><b>Constituent body</b></i>	<i><b>Component budget requirement</b></i>
<b>Greater London Authority: Mayor of London</b>	<b>£138,617,000</b>
<b>Greater London Authority: London Assembly</b>	<b>£8,000,000</b>
<b>Metropolitan Police Authority</b>	<b>£2,713,000,000</b>
<b>London Fire and Emergency Planning Authority</b>	<b>£409,400,000</b>
<b>Transport for London</b>	<b>£6,000,000</b>
<b>London Development Agency</b>	<b>£Nil</b>

3. The component budget requirements shown in recommendation 2 above, give rise to a consolidated budget requirement for the Authority for 2011-12 (shown at Line 55 in the attached Schedule) of -

**£ 3,275,017,000**

**BUDGET RELATED MOTIONS**

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

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**NOTES:**

- a. A simple majority of votes cast by Assembly members is required to approve any amendment to recommendations (1) to (3) above concerning the Draft Consolidated Budget; abstentions are not counted.
- b. To approve the Draft Consolidated Budget, without amendment, only a simple majority of votes cast is required. Again, abstentions are not counted.



## SCHEDULE

### Part 1: Greater London Authority: Mayor of London ("Mayor") draft component budget requirement calculations

NOTE: Amendments to the draft component budget 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)	£212,696,000	<b>£222,896,000</b>	estimated expenditure of the Mayor calculated in accordance with s85(4)(a) of the Act
(2)	£10,621,000	<b>£421,000,000</b>	estimated allowance for contingencies for the Mayor under s85(4)(b) of the Act
(3)	£5,000,000		estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the Act
(4)	£0		estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the Act
(5)	<b>£228,317,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for the Mayor (lines (1) + (2) + (3) + (4) above)
(6)	-£80,200,000		estimate of Mayor's income calculated in accordance with s85(5)(a) of the Act
(7)	-£9,500,000		estimate of Mayor's reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the Act
(8)	<b>-£89,700,000</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for the Mayor (lines (6) + (7))
(9)	<b>£138,617,000</b>		the component budget requirement for Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (8) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the Mayor for 2011-12 is: £ 138,617,000**  
[insert Line 9 figure]

**Part 2: Greater London Authority: London Assembly (“Assembly”) draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
<b>Line</b>	<b>Mayor’s proposal</b>	<b>Budget amendment</b>	<b>Description</b>
(10)	£8,000,000		estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the Act
(11)	£0		estimated allowance for contingencies for the Assembly under s85(4)(b) of the Act
(12)	£0		estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the Act
(13)	£0		estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the Act
(14)	<b>£8,000,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for the Assembly (lines (10) + (11) + (12) + (13) above)
(15)	£0		estimate of the Assembly’s income calculated in accordance with s85(5)(a) of the Act
(16)	£0		estimate of the Assembly’s reserves to be used in meeting amounts in lines (10) and (11) above under s85(5)(b) of the Act
(17)	<b>£0</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for the Assembly (lines (15) + (16))
(18)	<b>£8,000,000</b>		the draft component budget requirement for the Assembly (being the amount by which the aggregate at (14) above exceeds the aggregate at (17) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the Assembly for 2011-12 is: £8,000,000**  
[insert Line 18 figure]

**Part 3: Metropolitan Police Authority (“MPA”) draft  
component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(19)	£3,547,200,000		estimated expenditure of the MPA for the year calculated in accordance with s85(4)(a) of the Act
(20)	£25,100,000		estimated allowance for contingencies for the MPA under s85(4)(b) of the Act
(21)	£0		estimated reserves to be raised for meeting future expenditure of the MPA under s85(4)(c) of the Act
(22)	£0		estimate of reserves to meet a revenue account deficit of the MPA under s85(4)(d) of the Act
(23)	<b>£3,572,300,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for the MPA (lines (19) + (20) + (21) + (22) above)
(24)	-£824,500,000		estimate of the MPA’s income calculated in accordance with s85(5)(a) of the Act
(25)	-£34,800,000		estimate of MPA’s reserves to be used in meeting amounts in lines (19) and (20) above under s85(5)(b) of the Act
(26)	<b>-£859,300,000</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for the MPA (lines (24) + (25))
(27)	<b>£2,713,000,000</b>		the draft component budget requirement for the MPA (being the amount by which the aggregate at (23) above exceeds the aggregate at (26) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the MPA for 2011-12 is: £2,713,000,000**  
[insert Line 27 figure]

**Part 4: London Fire and Emergency Planning Authority (“LFEPA”) draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(28)	£459,600,000		estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the Act
(29)	£0		estimated allowance for contingencies for LFEPA under s85(4)(b) of the Act
(30)	£0		estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the Act
(31)	£0		estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the Act
(32)	<b>£459,600,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for LFEPA (lines (28) + (29) + (30) + (31) above)
(33)	-£30,900,000		estimate of LFEPA’s income calculated in accordance with s85(5)(a) of the Act
(34)	-£19,300,000		estimate of LFEPA’s reserves to be used in meeting amounts in lines (28) and (29) above under s85(5)(b) of the Act
(35)	<b>-£50,200,000</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for LFEPA (lines (33) + (34))
(36)	<b>£409,400,000</b>		the draft component budget requirement for LFEPA (being the amount by which the aggregate at (32) above exceeds the aggregate at (35) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for LFEPA for 2011-12 is: £409,400,000**  
[insert Line 36 figure]

**Part 5: Transport for London (“TfL”) draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(37)	£8,441,000,000	<b>£8,495,700,000</b>	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the Act
(38)	£154,000,000		estimated allowance for contingencies for TfL under s85(4)(b) of the Act
(39)	£245,000,000	<b>£178,300,000</b>	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the Act
(40)	£0		estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the Act
(41)	<b>£8,840,000,000</b>	<b>£8,828,000,000</b>	aggregate of the amounts for the items set out in s85(4) of the Act for TfL (lines (37) + (38) + (39) + (40) above)
(42)	-£8,834,000,000	<b>£8,822,000,000</b>	estimate of TfL’s income calculated in accordance with s85(5)(a) of the Act
(43)	£0		estimate of TfL’s reserves to be used in meeting amounts in lines (37) and (38) above under s85(5)(b) of the Act
(44)	<b>-£8,834,000,000</b>	<b>£8,822,000,000</b>	aggregate of the amounts for the items set out in section 85(5) of the Act for TfL (lines (42) + (43))
(45)	<b>£6,000,000</b>		the component budget requirement for TfL (being the amount by which the aggregate at (41) above exceeds the aggregate at (44) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for TfL for 2011-12 is: £6,000,000**  
[insert Line 45 figure]

**Part 6: London Development Agency ("LDA") draft component budget requirement calculations**

NOTE: Amendments to the draft component budget 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
(46)	£213,700,000		estimated expenditure of the LDA for the year calculated in accordance with s85(4)(a) of the Act
(47)	£3,000,000		estimated allowance for contingencies for the LDA under s85(4)(b) of the Act
(48)	£0		estimated reserves to be raised for meeting future expenditure of the LDA under s85(4)(c) of the Act
(49)	£0		estimate of reserves to meet a revenue account deficit of the LDA under s85(4)(d) of the Act
(50)	<b>£216,700,000</b>		aggregate of the amounts for the items set out in s85(4) of the Act for the LDA (lines (46) + (47) + (48) + (49) above)
(51)	-£216,700,000		estimate of the LDA's income calculated in accordance with s85(5)(a) of the Act
(52)	£0		estimate of the LDA's reserves to be used in meeting amounts in lines (46) and (47) above under s85(5)(b) of the Act
(53)	- <b>£216,700,000</b>		aggregate of the amounts for the items set out in section 85(5) of the Act for the LDA (lines (51) + (52))
(54)	<b>£0</b>		the component budget requirement for the LDA (being the amount by which the aggregate at (50) above exceeds the aggregate at (53) above calculated in accordance with section 85(6) of the Act)

**The draft component budget requirement for the LDA for 2011-2012 is: £0**  
[insert Line 54 figure]

**Part 7: The Greater London Authority ("GLA") draft consolidated budget requirement calculations**

NOTE: Amendments to the draft consolidated budget 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 proposed consolidated budget requirement	Budget amendment's proposed consolidated budget requirement	Description
(55)	<b>£3,275,017,000</b>	<b>£3,275,017,000</b>	the GLA's consolidated budget requirement (the sum of the amounts in lines (9) + (18) + (27) + (36) + (45) + (54)) calculated in accordance with section 85(8) of the Act

**The draft consolidated budget requirement for 2011-12 is: £3,275,017,000**  
[insert Line 55 figure]

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