

Mayor's Background Statement in support of his Final Draft Consolidated Budget for 2018-19

PART 1

Summary

This report presents the Mayor's Final Draft Budget proposals for the Greater London Authority (GLA) and its functional bodies for the next financial year. This is the Final Draft Budget and it will be the GLA's Group's budget and consolidated council tax requirement for 2018-19 unless the Assembly amends it in accordance with the provisions of the GLA Act before 28 February.

1 Introduction

- 1.1 The budgetary process is to a large extent governed by the provisions of sections 85, 86 and 87 and Schedule 6 of the Greater London Authority Act 1999 ("the GLA Act").
- 1.2 The Mayor is required to determine consolidated and component council tax requirements for 2018-19 and it is these that the Assembly has the power to amend. The Assembly's role is to scrutinise the budgeting decisions of the Mayor, to consider whether to approve the Mayor's draft consolidated and final draft budgets (with or without amendments), and to set a budget in the event that the Mayor does not do so in the required time. The Mayor and the Assembly must secure a financially balanced budget, with a fair and reasonable balance between the discharge of statutory and discretionary responsibilities for the provision of services and the financial burden upon those required to finance the net cost.
- 1.3 The individual Mayor, Assembly and functional body council tax requirements are aggregated to form the consolidated council tax requirement for the GLA Group. This requirement forms the GLA Group precept which is part of the Council Tax bill for households across Greater London collected by the 33 "billing authorities" (the 32 boroughs and City of London Corporation). The arrangements for "Council Tax referenda", in the event that the GLA Group council tax requirement is deemed to be "excessive" under Government rules and the possible impact that would have on the council tax requirement setting process, are set out in section 5 of Part III of this Budget document.
- 1.4 The Mayor and the Assembly have a duty to prepare and approve for each financial year a "component" budget for each of the seven "constituent bodies" within the GLA Group (that is, the Assembly, the Mayor, and each of the five functional bodies¹) and a "consolidated budget" for the GLA for the GLA Group.

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

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- A “component budget” is defined as consisting of a statement of the amount of component council tax requirements for the constituent body concerned by applying “statutory calculations” under section 85(4) to (8) of the GLA Act which give rise to this amount.
 - A “consolidated budget” must consist of statements of the amount of the GLA’s consolidated council tax requirement for the GLA Group, being the aggregate of the amount of the component council tax requirements for each constituent body.
 - “Draft Budget” refers to the initial “Draft Consolidated Budget” which is the first stage budget document and may be amended at the first Assembly budget meeting by a simple majority of votes cast (absentees and abstentions not counted).
 - “Final Draft Budget” refers to the second stage budget which becomes the GLA’s consolidated council tax requirement for the GLA Group for 2018-19 and may be amended by the at the second Assembly budget meeting by a two-thirds majority of votes cast (absentees and abstentions not counted).
- 1.5 Further details on the Assembly’s powers to amend the Mayor’s council tax requirement for the Assembly can be found in section 7 of Part III to this budget.
- 1.6 The Policing and Crime Act 2017, which received Royal Assent on 31 January 2017, abolishes the London Fire and Emergency Planning Authority (LFEPA) and establishes the London Fire Commissioner (LFC) as a corporate body and new functional body. The necessary statutory transfer schemes and consequential orders have been approved by Parliament and the office of the London Fire Commissioner (LFC) and will come into effect on 1 April 2018. In accordance with this expectation the Mayor has set a component budget in the name of the LFC for 2018-9.
- 1.7 A summarised version of the statutory budget process for 2018-19 is set out in the table overleaf. The Final Draft Budget for 2018-19 laid before the Assembly is not the same as the draft budget considered and approved on 25 January 2018. The reasons for the changes are set out in sections 4 and 5 below. Appendix K of Part 2 also sets out a high-level summary of material changes compared to the draft budget.
- 1.8 Annex A of this statement presents the Mayor’s Final Draft Budget using the statutory calculations as defined in the Act. Separate accompanying documents provide an explanation of the budget proposals and finance and legal advice. These are based on the Draft Consolidated Budget considered by the Assembly at its meeting on 25 January, but reflect the impact of the figures provided by the 33 London billing authorities on: retained business rates; collection fund surpluses and deficits and council tax bases; and the GLA’s estimate of its entitlement to section 31 grants in respect of business rates retention to compensate for Government supported reliefs for ratepayers.
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Budget process	
(a)	The Mayor must prepare for each financial year a budget for each of the seven constituent bodies and a consolidated budget for the GLA Group as a whole (this is the GLA consolidated budget). For this purpose, the Mayor of London and London Assembly are treated as separate constituent bodies.
(b)	Before arriving at the final version of the budget, a “draft component budget” for each component body will be the subject of consultation with the constituent bodies. Letters from the Mayor fulfilling this requirement were sent to MOPAC, LFEPA, TfL, OPDC and LLDC on 25 October 2017. The Assembly set out its proposals for the GLA: Assembly budget on 11 October 2017 and was consulted on the Mayor’s draft proposed GLA: Mayor budget on 22 November 2017.
(c)	After preparation of and consultation on those drafts, the Mayor is required to prepare a draft of his proposed full consolidated budget for consultation with the Assembly. The Assembly had resolved that the Mayor should consult its Budget and Performance Committee. Such consultation has occurred and the Committee considered that document on 3, 4 and 9 January 2018. The Mayor is also required within the same timeframe to consult with other bodies or persons that he considered appropriate. This has also occurred (see paragraph 3.1).
Draft budget stage	
(d)	The Mayor then determines a “draft consolidated budget” (which contains draft component budgets for the seven bodies) publishes it and presents it to the Assembly at a public meeting. This occurred on 25 January 2018. The Assembly was deemed to have approved this budget without amendment.
Final budget stage	
(e)	The Mayor then prepares and publishes a final draft of his proposed consolidated budget (“final draft budget”) for the next financial year. If the published final draft budget does not incorporate any amendments made by the Assembly at the previous stage, or is otherwise different to the previous draft consolidated budget, the Mayor must lay a written statement before the Assembly giving reasons.
(f)	The final draft budget must be considered at a public meeting of the Assembly and approved with or without amendment before the last day of February. Any amendment must at this stage be agreed by at least two thirds of the Assembly Members voting. If no amendments are made then the final draft budget is deemed by law to have been approved without amendment. The resulting budget will be the approved consolidated budget for the financial year 2018-19.

2 Final Local Government Finance Settlement

- 2.1 The Government's Final Local Government Finance Settlement for 2018-19 and the local government "Excessiveness Principles" for 2018-19 for the GLA, that confirm increases deemed excessive for the purposes of the council tax referenda legislation, were published on 6 February 2018 and formally approved by the House of Commons on 7 February 2018. Further information regarding the excessiveness principles is at paragraph 6.2 below.
- 2.2 Therefore, the grant settlement figures set out in Part II of this Final Draft Budget reflect the Final Local Government Finance settlement for the GLA and also the Final Police Settlement published on 31 January 2018. The 2018-19 Police Grant report for England and Wales was also approved by the House of Commons on 7 February 2018.

3 Final Draft Budget Proposals

- 3.1 The Final Draft Budget reaffirms the Mayor's proposed increase in the Band D council tax of 5.1 per cent from £280.02 to £294.23 in 2018-19. This means the police element of the precept will increase by 5.8 per cent from £206.13 to £218.13 in line with the assumptions for English police forces set out in the Home Office settlement for policing. The precept for taxpayers in the Corporation of London area which has its own police force increases by 2.99 per cent from £73.89 to £76.10.

4 Impact of Updated Council Tax and Business Rates Retention Forecasts for 2017-18 and 2018-19 Provided by the 33 London Billing Authorities

Introduction

- 4.1 Set out below are details of the impact of the billing authorities' returns on the GLA's Council Tax, Retained Business Rates and income from the new London-wide 'pooling' arrangements.

Council Tax

- 4.2 The draft budget assumed that there would be a 2 per cent overall growth in the London-wide council tax base in 2018-19. Based on the approved figures reported to the GLA there is a 2.4 per cent increase in the aggregate council tax base for tax setting purposes for the 33 billing authorities in 2018-19. As a result of this higher than forecast tax base growth the Mayor's proposed Band D council tax precept of £294.23 will yield £3.1 million of additional precept income in 2018-19 compared to the figures assumed in the draft budget. This increase can be assumed to be ongoing.
- 4.3 In addition, the GLA's share of billing authorities' estimated collection fund surpluses at 31 March 2018 in respect of council tax is £23.9 million. This is some £3.9 million higher than the £20m figure assumed in the draft Budget. This increase should be assumed to be one-off.
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Retained Business Rates

- 4.4 The draft budget assumed that there would be a balanced collection fund position in respect of retained business rates in 2018-19, after making a one-off committed payment to TfL of £75 million. However, based on the 33 billing authorities' returns the GLA's share of the overall net estimated collection fund surplus at 31 March 2018 in respect of business rates is £74 million. This markedly improved position is primarily due to the City of Westminster reporting an estimated surplus of £77 million. This increase should be assumed to be one-off and not recurring as any additional growth arising from these surpluses will have been built into the forecasts for 2018-19 income.
- 4.5 There has also been a material increase in estimated business rate income for 2018-19 across the majority of the 33 billing authorities in London based on their January 2018 returns, compared to the aggregate assumptions made in the draft budget which was published before these became available. The effect of this is that the GLA's share of forecast business rates income in 2018-19 is £211.4 million greater than assumed in the draft budget of which £137.6 million relates to 2018-19 revenues and £73.8 million relates to the one off estimated net collection fund surplus at 31 March 2018 in respect of 2017-18 and prior years.
- 4.6 This change reflects revised assumptions on appeals provisions, updated data on the impact of the 2017 revaluation and changes in assumed section 31 grant income for Government funded reliefs such as the cost of reducing the National Non-Domestic Rating multiplier uplift from RPI to CPI from 1 April 2018 and the impact of higher compensation for the doubling of the small business rate relief thresholds on 1 April 2017 due to a revised Government methodology, as well as net growth in the overall taxbase. The impact of the substantial number of appeals currently in the system, and the new appeals system that has been introduced but which has yet to bed in, mean that there is some inevitable uncertainty as to whether these forecasts will actually be achieved or exceeded in the 2018-19 outturn data which will not be available until May 2019.
- 4.7 Presently it is difficult to forecast the likely level or range of levels of additional business rates income which should accrue in future years from the billing authorities' forecasts for 2018-19 (as noted above, actual figures will not be known until May 2019). The amount of business rates which can be retained due to growth will be reset for 2020-21 and will reflect an expected Comprehensive Spending Review during 2019 and the outcome of the Government's fair funding review for local government, expected to be implemented in 2020-21. Recognising that it will be necessary to revisit any forecast during each annual budget cycle, the Executive Director of Resources' judgement is that £56 million in 2018-19, uprated by 0.7 per cent each year, could reasonably be considered to be an ongoing additional annual resource in future years. That is not to say that a greater amount might not be recurring, but as the amount is uncertain a higher estimate would increase the financial risk to future budget plans. Accordingly, the Executive Director of Resources considers the estimate of £56m to be prudent.
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New London-wide 'pooling' arrangements

4.8 Details of the new London-wide 'pooling' arrangements are described in Appendix I of Part II of this final budget. The Mayor's draft budget estimated that the GLA's share of the additional growth arising from the creation of the 'pool' would be £64.8m in 2018-19. This was based on an overall forecast made by London Councils which took into account updated information from those boroughs which could provide revised information last summer. Now that all boroughs have updated their returns, the GLA's share of growth from the 'pool' in 2018-19 is forecast to be £113.6m in 2018-19. This sum is assumed to be a one-off as the Memorandum of Understanding governing the pilot agreed with the Government is for one year only and will take a positive decision by the Government to renew.

Business Rates Reserve

4.9 As set out above, there is great uncertainty over the business rates forecasts. The GLA holds a Business Rates Reserve estimated to total £188.2 million as at 31 March 2018 to manage business rates income risk. This figure represents around 6 per cent of the GLA's estimated business rates income in 2018-19 gross of the tariff payment to Government. With the new 'pooling' arrangements there is a more generous safety net threshold which would imply a reduction in the level of this reserve. However, there are number of risks and uncertainties:

- the 'pool' pilot is not guaranteed to continue beyond 2018-19;
- the Government has only committed to implementing 75 per cent retention nationally from April 2020;
- there is ongoing uncertainty around the impact of the new appeals process introduced in April 2017 (as well as a significant backlog of more than 50,000 unresolved appeals in the old 2010 rating list); and
- the increased business rates income is at this stage based on forecasts.

Taking these risks and uncertainties into account, the Executive Director of Resources advises that it would be appropriate to maintain the Business Rates Reserve at its existing level.

Summary

4.10 Set out overleaf is a summary of the additional council tax and business rates income available in 2018-19. As outlined above, the increased sums available represent unexpectedly strong statutory returns from billing authorities for business rates income, with one authority declaring a business rates collection fund surplus for 2017-18 for the GLA of £77 million, which accounts for the large collection fund surplus receivable by the GLA. The assumed on-going additional business rates income is just under 2 per cent of the total business received by the GLA. Once billing authorities' returns for 2018-19 are fully analysed the Mayor will review his forecasts of future years business rates income prior to publishing his 2019-20 Budget Guidance, to be issued in summer 2018.

Additional Council tax and Business Rates Income Available in 2018-19

Detail	2018-19 (£m)
Council Tax:	
Ongoing	3.1
One-off	3.9
Business Rates:	
Ongoing	56.4
One-off	155.0
Strategic Investment Projects	48.8
Total	267.3

5 Budget proposals

- 5.1 Set out in the Table overleaf is a summary of how the Mayor proposes to allocate the additional council tax and business rates income described above. Details of each funding proposal are then described together with other significant changes to budget proposals for each member of the GLA Group.

Mayor of London

- 5.2 The Mayor intends in accordance with the Memorandum of Understanding agreed with the Government and London's local authorities to allocate the forecast business rates growth from the 'pool' of £113.6 million to strategic investment projects. In addition, he has increased this allocation by £26.4 million to create a fund of £140 million. He is inviting expressions of interest from across the Group to make bids against this resource with the principal aim of supporting London's economic growth. A deadline for expressions of interest has been set with a view to the Mayor making decisions on which projects to support in May 2018.
- 5.3 The Cultural and Education District in the Queen Elizabeth Olympic Park will bring together world class cultural and educational institutions. LLDC is in detailed negotiations with an additional public sector partner to enhance the cultural offer and the additional business rates available gives a one-off opportunity to provide funding of £47 million to deliver this opportunity, to be repaid by the proposed partner in later years.

Proposed allocation of 2018-19 additional council tax and business rates income in 2018-19 and 2019-20 to GLA and functional bodies compared to draft budget

Detail	2018-19 (£m)	2019-20 (£m)
GLA:		
Strategic Investment Projects ¹	75.2	0.0
Cultural Education District (CED) public sector partner funding	47.0	0.0
Young Londoners Fund	15.0	15.0 ²
Other Projects	27.4	0.8 ³
GLA sub-total	164.6	15.8
MOPAC:		
Additional police officers	5.0	59.3 ⁴
Revenue contribution to capital investment	55.0	0.0
Other projects	3.1	0.0 ⁵
MOPAC sub-total	63.1	59.3
LFC:		
Southwark Fire Station ⁶	5.9	5.9
TfL:		
Local Implementation Plans (LIPs)	11.6	0.0
Bus Driver Toilets	6.0	0.0
Intra- Group shared services adjustment	0.2	0.0
TfL sub-total	17.8	0.0

- 1 The Mayor's draft budget reported an estimate of £64.8 million for the strategic investment projects. The additional £75.2 million comprises a further £48.8 million arising directly from the GLA's estimated £113.6 million share of the additional income arising from the London 100 per cent retention pilot, topped up by an additional £26.4 million of business rates income by the Mayor, providing for a total of £140 million for strategic investment projects.
- 2 The Young Londoners Support Fund continues into 2020-21 at £15 million.
- 3 GLA: Other Projects includes ongoing provision for GLA pay awards.
- 4 The provision of £59.3 million continues in later years.
- 5 A £3.3 million provision for mental health work in 2019-20 and later years is financed from the full year capital financing cost savings arising from the revenue contribution to capital investment of £55 million in 2018-19.
- 6 The £11.7 million funding in relation to Southwark Fire Station will be made from 2018-19 business rates income but is currently forecast to be used over two years. This is reflected in the LFC's capital spending plan.

- 5.4 In his draft budget the Mayor set out that he would provide further support for projects assisting young people, recognising both the impact of Government austerity measures on them and the role such interventions can play in tackling knife crime and addressing mental health problems. The Mayor now intends to create a £45 million fund, supporting both community projects and the scaling-up of successful GLA Group initiatives. It is intended that this would allow a £15 million per annum programme for the next three years.
- 5.5 The Mayor has also made provision for other projects of £27.4 million in 2018-19 which includes:
- a top up of the GLA's Capital Project Reserve of £8.8 million for use on Mayoral priorities, plans for which are being developed given the planned drawdown of this reserve in 2017-18 and facilitating the undertaking of capital / revenue swaps;
 - an additional £6 million for environmental projects, including further action on air quality, single-use plastics and additional funding for green space and trees;
 - a top-up of the GLA Major Events Reserve of £5 million following the 2017 Athletics championships and London's successful bid to host additional Euro 2020 matches;
 - an overall provision of £4.4 million to support costs associated with adult education devolution, to support further collaboration initiatives across the Group and future GLA pay awards;
 - £1.3 million for a Homelessness Mental Health Pilot;
 - £1 million to boost the London Borough of Culture programme, together with £0.1 million for a Culture and Dementia pilot;
 - £0.5 million for Economic Fairness;
 - £0.2 million for a EU citizens on-line advice service; and
 - £0.2 million for childcare rights publicity and further research.
- 5.6 The GLA's Capital Spending Plan has been updated for latest forecasts and shows spend being brought forward in 2017-18 and 2018-19 from figures in the draft Budget. This reflects higher forecast spend on the Affordable Housing Programme after allowing for slippage on other GLA capital projects.

Mayor's Office for Policing and Crime (MOPAC)

- 5.7 Keeping Londoners safe is the Mayor's top priority and from 2019-20 he will invest at least an additional £59 million annually to support an extra 1,000 police officers than would otherwise be affordable by taking an unprecedented step change in the scale of use of income raised from business rates for policing. Given the time lag needed to recruit new officers, £5 million is the maximum additional funds the Metropolitan Police Service (the 'Met') can spend on extra officers and recruitment in 2018-19. Work will be done to speed the recruitment process in time for 2019-20.

- 5.8 The Mayor is therefore providing £55 million to MOPAC in 2018-19 to reduce their previously planned borrowing for capital projects. This will lead to an annual saving in MOPAC's capital financing costs of £3.3 million in 2019-20 and future years. This saving will allow on-going support for the Met's mental health work in 2019-20 and later years. For 2018-19 the Mayor is supporting three additional projects from one-off allocations of retained business rates: £2.1 million for Mental Health, £0.6 million for Violence Against Women and Girls and Female Genital Mutilation campaigns and £0.4 million to fund a new Countering Violent Extremism programme.

London Fire Commissioner (LFC)

- 5.9 LFC's savings to be required in future years has been reduced from £12.4 million to £12 million compared with the draft budget assumptions to reflect latest forecasts made by LFEPA.
- 5.10 The London Borough of Southwark has granted planning permission for a scheme on the site of the former fire station at Southwark – including a much-needed secondary school in the northern part of the Borough – put forward by the developer Hadston. This scheme supports a purchase price of £42.3 million. In addition, Hadston has agreed to fund £13.9 million of affordable housing provision, resulting in an overall capital payment £2.1 million in excess of the original purchase price agreed by the previous Mayor, which did not provide for any affordable housing.
- 5.11 The purchase price payable to LFEPA for this scheme represents a capital receipt which is £11.7 million less than previously expected. The GLA will ensure that LFC is not financially disadvantaged by this revised deal in the medium term by providing temporary funding from business rates for the difference. This is pending the capital receipt which LFC will potentially receive for its former headquarters building at Albert Embankment which is not currently shown in LFC's capital spending plan. If that receipt arises, and matches or exceeds £11.7 million, then LFC will not emerge at a financial disadvantage from these sales of its estate in the current four-year budget period. Were the Albert Embankment receipt not to arise, then the GLA intends to make the temporary contribution from business rates permanent.

TfL

- 5.12 In light of representations made by London Boroughs and Assembly Members, the Mayor is allocating an additional £11.6 million to TfL in 2018-19 for boroughs to invest in local projects that support the Healthy Streets Approach set out in the Mayor's Draft Transport Strategy. This additional sum will be spread between the boroughs using the existing needs formula and would equate on average to an additional £350,000 per borough. Plans for future years will be considered as part of TfL's 2018 business planning process. Provision of £6 million to ensure that toilets are available to bus drivers on every route in London is also made. There are also minor adjustments to shared services arrangements between TfL and the GLA Group of £0.2 million.

Future Years

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

6 Council Tax Referendum Issues

- 6.1 Details of the provisions for the holding of Council Tax referendums are set out in section 5 of Part 3. The local government “Excessiveness Principles” for 2018-19 for the GLA were agreed by Parliament on 7 February 2018.

“Excessiveness” determination

- 6.2 The Mayor is required to determine whether his Final Draft Budget is “excessive” under the principles determined by Parliament. The Mayor confirms that neither (1) the “adjusted” relevant basic amount of council tax (which applies in the 32 boroughs throughout Greater London outside the City of London), or (2) the “unadjusted” relevant basic amount of council tax (which applies within the area of the City of London only) are excessive for the purposes of the approved local government “Excessiveness Principles” for 2018-19. (For either figure to be regarded as excessive the 32-borough figure would have to increase to £294.24 or above and the City figure to £76.11 or above.)

7 Conclusions

- 7.1 In considering the Mayor's budget proposals and any amendments they wish to make at this stage, Assembly Members must also consider the need to secure a financially balanced budget and achieve a balance between the statutory and discretionary responsibilities for the provision of services and the burden upon those required to finance the net cost.
- 7.2 In commending the budget proposals to the Assembly, the Mayor believes that Londoners recognise and support his plans to increase resources to support policing.
- 7.3 The Mayor is satisfied that he has weighed respective interests fairly and that his increase in the council tax will help the front-line service delivery of his statutory and discretionary responsibilities. The Mayor believes that the proposals will make a significant contribution to improving Londoners' quality of life and supporting London's economy.

8 Recommendations

- 8.1 On the basis of the information set out in this statement and accompanying documents, that the Assembly approves, without amendment, the Mayor's Final Draft budget and the consolidated council tax requirement for the GLA and the functional bodies (GLA Group) of £865,678,414 as contained in Annex A.
- 8.2 The council tax requirement is after applying the GLA's share of the net surplus or deficit on the collection funds of the 33 billing authorities. These are a £23.9 million surplus in respect of council tax and a £73.8 million surplus in respect of retained business rates which fall within the component budget for the Mayor of London for the purpose of these statutory calculations under sections 85 to 88 of the GLA Act.
- 8.3 This final draft consolidated council tax requirement is made up as set out overleaf:
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Constituent body	Component council tax requirement
Mayor of London	£67,658,740
London Assembly	£2,623,300
Mayor's Office for Policing and Crime	£641,371,487
London Fire Commissioner	£148,024,887
Transport for London	£6,000,000
London Legacy Development Corporation	£NIL
Old Oak and Park Royal Development Corporation	£NIL
Total Consolidated Council Tax Requirement	£865,678,414

Annex A

Final draft component and consolidated council tax requirements 2018-19

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

Line	Sum	Description
1	£1,259,414,161	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
2	£1,900,000	estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act
3	£23,135,933	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act
4	£0	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the GLA Act
5	£1,284,450,094	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Mayor (lines (1) + (2) + (3) + (4) above)
6	-£195,426,350	estimate of the Mayor's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
7	£0	estimate of the Mayor's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
8	£0	estimate of the Mayor's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
9	-£905,685,942	estimate of the Mayor's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
10	-£97,752,712	estimate of the Mayor's share of any net collection fund surplus for the 33 London billing authorities in accordance with s85(5)(a) of the GLA Act
11	-£1,198,865,004	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (6) + (7) + (8) + (9) + (10))
12	-£17,926,350	estimate of Mayor's reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act
13	-£1,216,791,354	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Mayor (lines (11) + (12) above)
14	£67,658,740	the component council tax requirement for the Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (13) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the Mayor for 2018-19 is £67,658,740

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

Line	Sum	Description
15	£7,813,742	estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the GLA Act
16	£0	estimated allowance for contingencies for the Assembly under s85(4)(b) of the GLA Act
17	£0	estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the GLA Act
18	£0	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the GLA Act
19	£7,813,742	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Assembly (lines (15) + (16) + (17) + (18) above)
20	£0	estimate of the Assembly's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
21	£0	estimate of the Assembly's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
22	£0	estimate of the Assembly's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
23	-£5,190,442	estimate of the Assembly's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
24	£0	estimate of the Assembly's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
25	-£5,190,442	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (line (20) + (21) + (22) + (23) + (24))
26	£0	estimate of Assembly's reserves to be used in meeting amounts in lines 19 above under s85(5)(b) of the GLA Act
27	-£5,190,442	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Assembly (lines (25) + (26) above)
28	£2,623,300	the component council tax requirement for the Assembly (being the amount by which the aggregate at (19) above exceeds the aggregate at (27) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the Assembly for 2018-19 is £2,623,300

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

Line	Sum	Description
29	£3,331,520,194	estimated expenditure of the MOPAC calculated in accordance with s85(4)(a) of the GLA Act
30	£0	estimated allowance for contingencies for the MOPAC under s85(4)(b) of the GLA Act
31	£0	estimated reserves to be raised for meeting future expenditure of the MOPAC under s85(4)(c) of the GLA Act
32	£0	estimate of reserves to meet a revenue account deficit of the MOPAC under s85(4)(d) of the GLA Act
33	£3,331,520,194	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the MOPAC (lines (29) + (30) +(31) + (32) above)
34	-£263,779,807	estimate of the MOPAC's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
35	-£423,300,000	estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£1,882,068,900	estimate of the MOPAC's income in respect of general government grants (revenue support grant, core Home Office police grant and principal police formula grant) calculated in accordance with s85(5)(a) of the GLA Act
37	-£92,000,000	estimate of the MOPAC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
38	£0	estimate of MOPAC's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
39	-£2,661,148,707	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (34) + (35) + (36) + (37) +(38))
40	-£29,000,000	estimate of MOPAC's reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act
41	-£2,690,148,707	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the MOPAC (lines (39) + (40) above)
42	£641,371,487	the component council tax requirement for MOPAC (being the amount by which the aggregate at (33) above exceeds the aggregate at (41) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the MOPAC for 2018-19 is £641,371,487

London Fire Commissioner (“LFC” / “LFEPA”) final draft component budget

Line	Sum	Description
43	£435,374,962	estimated expenditure of LFC for the year calculated in accordance with s85(4)(a) of the GLA Act
44	£0	estimated allowance for contingencies for LFC under s85(4)(b) of the GLA Act
45	£374,962	estimated reserves to be raised for meeting future expenditure of LFC under s85(4)(c) of the GLA Act
46	£0	estimate of reserves to meet a revenue account deficit of LFC under s85(4)(d) of the GLA Act
47	£435,749,925	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFC (lines (43) + (44) + (45) + (46) above)
48	-£36,825,038	estimate of LFC’s income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
49	-£12,200,000	estimate of LFC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
50	£0	estimate of LFC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
51	-£238,700,000	estimate of LFC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
52	£0	estimate of LFC’s share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
53	-£287,725,038	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (48) + (49) + (50) + (51) + (52))
54	£0	estimate of LFC’s reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act
55	-£287,725,038	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFC (lines (53) + (54) above)
56	£148,024,887	the component council tax requirement for LFC (being the amount by which the aggregate at (47) above exceeds the aggregate at (55) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for LFC / LFEPA for 2018-19 is £148,024,887

Transport for London (“TfL”) final draft component budget

Line	Sum	Description
57	£7,103,000,000	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the GLA Act
58	£0	estimated allowance for contingencies for TfL under s85(4)(b) of the GLA Act
59	£0	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the GLA Act
60	£0	estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act
61	£7,103,000,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the TfL (lines (57) + (58) + (59) + (60) above)
62	-£6,100,500,000	estimate of TfL’s income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
63	-£49,400,000	estimate of TfL’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
64	£0	estimate of TfL’s income in respect of general government grants (revenue support grant and GLA Transport General Grant) calculated in accordance with s85(5)(a) of the GLA Act
65	-£947,100,000	estimate of TfL’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
66	£0	estimate of TfL’s share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
67	-£7,097,000,000	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act for TfL (lines (62) + (63) + (64) + (65) + (66) above)
68	£0	estimate of TfL’s reserves to be used in meeting amounts in line 61 above under s85(5) (b) of the GLA Act
69	-£7,097,000,000	aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68))
70	£6,000,000	the component council tax requirement for TfL (being the amount by which the aggregate at (61) above exceeds the aggregate at (69) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for TfL for 2018-19 is £6,000,000.

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

Line	Sum	Description
71	£39,000,000	estimated expenditure of LLDC for the year calculated in accordance with s85(4)(a) of the GLA Act
72	£0	estimated allowance for contingencies for LLDC under s85(4)(b) of the GLA Act
73	£0	estimated reserves to be raised for meeting future expenditure of LLDC under s85(4)(c) of the GLA Act
74	£0	estimate of reserves to meet a revenue account deficit of LLDC under s85(4)(d) of the GLA Act
75	£39,000,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LLDC (lines (71) + (72) + (73) + (74) above)
76	-£35,400,000	estimate of LLDC's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
77	£0	estimate of LLDC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
78	£0	estimate of LLDC's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
79	-£3,600,000	estimate of LLDC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
80	£0	estimate of LLDC's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
81	-£39,000,000	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (76) + (77) + (78) + (79) + (80))
82	£0	estimate of LLDC's reserves to be used in meeting amounts in line 75 above under s85(5)(b) of the GLA Act
83	-£39,000,000	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (81) + (82) above)
84	£0	the component council tax requirement for LLDC (being the amount by which the aggregate at (75) above exceeds the aggregate at (83) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the LLDC for 2018-19 is £0 (£NIL).

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

Line	Sum	Description
85	£7,900,000	estimated expenditure of OPDC for the year calculated in accordance with s85(4)(a) of the GLA Act
86	£0	estimated allowance for contingencies for OPDC under s85(4)(b) of the GLA Act
87	£0	estimated reserves to be raised for meeting future expenditure of OPDC under s85(4)(c) of the GLA Act
88	£0	estimate of reserves to meet a revenue account deficit of OPDC under s85(4)(d) of the GLA Act
89	£7,900,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for OPDC (lines (85) + (86) + (87) + (88) above)
90	-£2,800,000	estimate of OPDC's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
91	£0	estimate of OPDC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
92	£0	estimate of OPDC's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
93	-£5,100,000	estimate of OPDC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
94	£0	estimate of OPDC's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
95	-£7,900,000	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (90) + (91) + (92) + (93) + (94))
96	£0	estimate of OPDC's reserves to be used in meeting amounts in line 89 above under s85(5)(b) of the GLA Act
97	-£7,900,000	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for OPDC (lines (95) + (96) above)
98	£0	the component council tax requirement for OPDC (being the amount by which the aggregate at (89) above exceeds the aggregate at (97) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the OPDC for 2018-19 is £0 (£NIL).

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

Line	Sum	Description
99	£865,678,414	the GLA’s consolidated council tax requirement (the sum of the amounts in lines (14) + (28) + (42) + (56) +(70) +(84) + (98) calculated in accordance with section 85(8) of the GLA Act)

The final draft consolidated council tax requirement for the GLA for 2018-19 is £865,678,414

Annex A**Aggregate GLA Group budget for 2018-19****Estimated Expenditure**

£	GLA Mayor	GLA Assembly	MOPAC	LFC / LFEPA	TfL	LLDC	OPDC	Total
Estimated expenditure	£1,259,414,161	£7,813,742	£3,331,520,194	£435,374,962	£7,103,000,000	£39,000,000	£7,900,000	£12,184,023,059
Estimated allowance for contingencies	£1,900,000	£0	£0	£0	£0	£0	£0	£1,900,000
Estimated reserves to be raised for meeting future expenditure	£23,135,933	£0	£0	£374,962	£0	£0	£0	£23,510,895
Estimate of reserves to meet a revenue account deficit including forecast collection fund deficit for retained business rates	£0	£0	£0	£0	£0	£0	£0	£0
Estimated total expenditure	£1,284,450,094	£7,813,742	£3,331,520,194	£435,749,925	£7,103,000,000	£39,000,000	£7,900,000	£12,209,433,955

Annex A

Estimated Income and Calculation of Council Tax Requirement

£	GLA Mayor	GLA Assembly	MOPAC	LFC / LFEPA	TfL	LLDC	OPDC	Total
Estimate of non-government grant income	-£195,426,350	£0	-£263,779,807	-£36,825,038	-£6,100,500,000	-£35,400,000	-£2,800,000	-£6,634,731,195
Estimate of specific government grant income	£0	£0	-£423,300,000	-£12,200,000	-£49,400,000	£0	£0	-£484,900,000
Estimate of general government grant income	£0	£0	-£1,882,068,900	£0	£0	£0	£0	-£1,882,068,900
Estimate of Retained Business Rates income	-£905,685,942	-£5,190,442	-£92,000,000	-£238,700,000	-£947,100,000	-£3,600,000	-£5,100,000	-£2,197,376,384
Net collection fund surplus	-£97,752,712	£0	£0	£0	£0	£0	£0	-£97,752,712
Estimated total income before use of reserves	-£1,198,865,004	-£5,190,442	-£2,661,148,707	-£287,725,038	-£7,097,000,000	-£39,000,000	-£7,900,000	-£11,296,829,191
Estimate of reserves to be used	-£17,926,350	£0	-£29,000,000	£0	£0	£0	£0	-£46,926,350
Estimated total income after use of reserves	-£1,216,791,354	-£5,190,442	-£2,690,148,707	-£287,725,038	-£7,097,000,000	-£39,000,000	-£7,900,000	-£11,343,755,541
Council tax requirement	£67,658,740	£2,623,300	£641,371,487	£148,024,887	£6,000,000	£0.00	£0.00	£865,678,414
COUNCIL TAXBASE	2,947,528.61	2,947,528.61	2,940,317.64	2,947,528.61	2,947,528.61	2,947,528.61	2,947,528.61	
BAND D COUNCIL TAX	22.95	0.89	218.13	50.22	2.04	0.00	0.00	294.23