

March 2014

# The Greater London Authority Consolidated Budget and Component Budgets for 2014-15



MAYOR OF LONDON



	Page
Section 1 - Introduction and Overview.....	2
Section 2 - Greater London Authority (GLA): Mayor of London .....	7
Section 3 - GLA: London Assembly .....	19
Section 4 - Mayor’s Office for Policing and Crime (MOPAC) .....	22
Section 5 - London Fire and Emergency Planning Authority (LFEPA).....	28
Section 6 - Transport for London (TfL) .....	35
Section 7 - London Legacy Development Corporation (LLDC).....	42
Section 8 – Government Grant, Council Tax and Retained Business Rates Forecasts .....	48
Section 9 – Statutory component and consolidated budgets 2014-15.....	60
Greater London Authority: Mayor of London component .....	70
Greater London Authority: London Assembly component.....	71
Mayor’s Office for Policing and Crime.....	72
London Fire and Emergency Planning Authority .....	73
Transport for London.....	74
London Legacy Development Corporation .....	75
Statutory Consolidated Council Tax Requirement .....	76
Summary of Consolidated Statutory Budget Calculations by Functional Body .....	77

Copies of this report are available on request. However, for environmental reasons, we have decided not to distribute widely a bound version of the report.

If you have access to the Internet, we would recommend that you visit <http://www.london.gov.uk/mayor-assembly/gla/spending-money-wisely/budget-expenditure-charges> to obtain an electronic copy of the report. If you do wish to print it, please use recycled paper

## Section 1 - Introduction and Overview

---

### Introduction

- 1.1 The Greater London Authority (GLA) is the strategic authority for London and supports the Mayor and the London Assembly in delivering their respective responsibilities and functions. The GLA's four functional bodies are its principal delivery arms: the Mayor's Office for Policing and Crime (MOPAC; overseeing the work of the Metropolitan Police Service - MPS); the London Fire and Emergency Planning Authority (LFEPA); Transport for London (TfL); and the London Legacy Development Corporation (LLDC).
- 1.2 This section sets out a summary of the key deliverables in the Mayor's 2014-15 Budget, a summary of the overall proposals and the structure of the rest of the Document.

### Key deliverables

- 1.3 The Mayor's key objective in this Budget is to maximise value for the taxpayer through the rigorous pursuit of savings and efficiencies while protecting frontline services and directing capital investment to key priorities. The key deliverables in this Budget are, as follows, to:
  - support up to 200,000 jobs;
  - deliver the Mayor's property pledge, including building 45,000 low cost homes;
  - create 250,000 apprenticeships by 2016;
  - maintain a police officer establishment at around 32,000;
  - maintain the existing targets for how quickly fire engines attend incidents;
  - reduce Tube delays by 30 per cent by 2015 compared to 2011;
  - reduce the number of people killed or seriously injured in London by 40 per cent by 2020;
  - introduce a new 24-hour Tube service at weekends from 2015;
  - continue to deliver Crossrail, which will transform rail capacity and journey times;
  - deliver the Northern Line extension to Nine Elms and Battersea;
  - deliver 600 New Bus for London vehicles by 2016; and
  - promote and deliver the regeneration of the Queen Elizabeth Olympic Park and surrounding area.

## Section 1 - Introduction and Overview

### Overall Gross Revenue Expenditure of the GLA Group

- 1.4 Set out below is a summary of the planned total revenue expenditure of the GLA Group in 2014-15 compared to 2013-14.

Total Gross Revenue Expenditure <sup>3</sup>	2013-14 <sup>2</sup> £m	2014-15 £m	Change £m	Change %
Revenue:				
GLA (Mayor and London Assembly) <sup>1</sup>	414.6	413.7	-0.9	0%
Mayor's Office for Policing and Crime (MOPAC)	3,284.7	3,253.0	-31.7	-1%
London Fire and Emergency Planning Authority (LFEPA)	447.1	431.6	-15.5	-3%
Transport for London (TfL)	6,288.9	6,549.8	260.9	4%
London Legacy Development Corporation (LLDC)	45.5	39.8	-5.7	-13%
<b>Total Revenue (GLA Group Services)</b>	<b>10,480.8</b>	<b>10,687.9</b>	<b>207.1</b>	<b>2%</b>
Business rates retention tariff payment to CLG to support local government services outside London	342.3	349.0	6.7	2%
<b>Total Revenue (including tariff payment)</b>	<b>10,823.1</b>	<b>11,036.9</b>	<b>213.8</b>	<b>2%</b>

#### Notes

1. GLA revenue expenditure includes funding applied to support LLDC which is £0.8m higher in 2014-15
2. Revenue figure for 2013-14 is the revised budget.
3. Figures are the gross expenditure for statutory purposes and do not adjust for intra group transfers.

- 1.5 The overall increase in revenue expenditure is, after allowing for savings and efficiencies, made in response to changes in Government funding across the group offset by additional expenditure on the operation of the transport network by TfL.
- 1.6 After allowing for fares, charges, other income and use of reserves, **gross revenue expenditure of £11,036.9 million for 2014-15** (including rates retention tariff payments of £349.0m) translates into **net expenditure to be financed from government grants, retained business rates and the council tax precept of £5,248.0 million.**

### Capital Programme

- 1.7 The GLA's Capital Programme is set to increase from £5,604.5 million in the 2013-14 original capital plan to £6,283.0 million in 2014-15. The net increase in the Group's capital expenditure reflects additional investment in transport infrastructure by TfL and in delivering transformation programmes in other functional bodies offset by the tailing off of the GLA's Crossrail contributions and the phasing of the development of the Queen Elizabeth Olympic Park. The capital programme is set out in more detail in the Mayor's capital spending plan for 2014-15 which has been published separately.

### Council Tax Precept

- 1.8 The GLA's precept is the amount of council tax the Mayor has to raise from London's 33 billing authorities (the 32 London boroughs and the Common Council of the City of London) to balance the GLA Group's revenue expenditure, after allowing for revenue grants from the Government and retained business rates.

## Section 1 - Introduction and Overview

- 1.9 **The Mayor has approved a reduction in the Band D precept** paid by residents of the 32 London Boroughs from £303.00 **to £299.00 – a decrease of £4.00 or 1.3 per cent**. The precept for the Common Council of the City of London which is outside the Metropolitan Police district is £84.48 – a decrease of £1.60. More detailed information about the precept and the basis for its calculation are included in Section 9.
- 1.10 The consolidated council tax requirement (i.e. total forecast council tax precept income) for 2014-15 is **£786.9 million**. Details of the component council tax requirements for each member of the GLA Group for 2014-15, and illustrative figures for 2015-16, are set out below.

<b>Component council tax requirements (net of council tax support change)</b>	<b>Approved 2013-14 £m</b>	<b>Proposed 2014-15 £m</b>	<b>Plan 2015-16 £m</b>
GLA (Mayor)	95.0	73.8	76.0
GLA (Assembly)	2.6	2.5	2.5
MOPAC	557.1	564.2	564.2
LFEP A	128.4	138.2	138.2
TfL	6.0	6.0	6.0
LLDC	0.0	0.0	0.0
Net Billing authority Collection fund (surpluses)/deficits	-10.4	2.2	0.0
<b>Consolidated council tax requirement</b>	<b>778.7</b>	<b>786.9</b>	<b>786.9</b>

- 1.11 The council tax requirements for 2014-15 and 2015-16 reflect the impact of the council tax base and rates retention forecasts and collection fund surpluses provided by the 33 London billing authorities at the end of January 2014.
- 1.12 Forecast Council Tax precept income (the 'consolidated council tax requirement') and the other sources of finance for 2014-15 including government grants and fare revenues are summarised below:

## Section 1 - Introduction and Overview

<b>Financing of Gross Revenue Expenditure</b>	<b>£m</b>	<b>Per cent</b>
Spending plans	11,036.9	
<i>Less:</i>		
Fares, charges and other income	5,507.6	50%
Revenue support grant	193.7	2%
Home Office Police General and Formula Grant	1,884.0	17%
Retained Business Rates allocated to services	973.7	9%
Retained Business Rates allocated to reserves	26.0	0%
Business rates income fund tariff payment to CLG	349.0	3%
GLA Transport Grant (general element)	835.1	8%
Other Specific Government Grants	550.8	5%
Use of Reserves	-67.6	-1%
Net Billing authority Collection fund surpluses – council tax	15.1	0%
Net Billing authority Collection fund deficits – retained rates	-17.3	0%
<b>Consolidated Council tax requirement for GLA Group</b>	<b>786.9</b>	<b>7%</b>

### Mayor and Assembly components

- 1.13 For the purpose of budget setting under the GLA Act the Mayor of London and London Assembly are treated as separate constituent bodies. The component budget for the Assembly comprises estimates for direct expenditure and income, appropriate contingencies and financial reserves for assembly functions. The budget for the Mayor comprises the rest of the GLA and includes expenditure incurred on accommodation in relation to the Assembly's business, and goods and services provided or procured for the Authority in general.

### Further information

- 1.14 This document reflects the statutory budget plans approved by the Mayor and Assembly under sections 85 to 89 of the GLA Act 1999 in February 2014. Subject to remaining within the agreed council tax requirements, the GLA and functional bodies may revise their budget and therefore their published budget or business planning documentation issued subsequently may differ from the figures presented here.
- 1.15 Further information on the budget and funding for each constituent body within the GLA Group is presented in organisational terms in Sections 2 to 7 of this document. The GLA's budget plans are shown first and the remainder are presented in order of magnitude of the budget and council tax requirements. Section 8 sets out the future years funding position for the GLA and each functional body in respect of government grant, retained business rates and other sources. Section 9 sets out the consolidated budget and council tax requirements as approved in line with statutory requirements. Please note that figures in the tables throughout the document may not sum exactly due to rounding.

## Section 1 - Introduction and Overview

---

- 1.16 This document along with the Mayor's capital spending plan and the consultation, draft and final draft budgets issued during the budget development process are available on the GLA website at <http://www.london.gov.uk/mayor-assembly/gla/spending-money-wisely/budget-expenditure-charges/the-mayors-budget-for-2014-15>
- 1.17 There are also more detailed public documents relating to the budget proposals, including those that have been the subject of individual scrutiny and discussion by the functional bodies. These are available on the GLA's and functional bodies' websites. For further information on these documents, or generally in respect of the budget proposals, please contact:

Doug Wilson (for GLA)

e-mail: [doug.wilson@london.gov.uk](mailto:doug.wilson@london.gov.uk)

Martin Mitchell (for MOPAC, LFEPA & TfL)

e-mail: [martin.mitchell@london.gov.uk](mailto:martin.mitchell@london.gov.uk)

Ray Smith (for LLDC)

e-mail: [ray.smith@london.gov.uk](mailto:ray.smith@london.gov.uk)



## Section 2 – Greater London Authority Mayor of London

---

### Introduction

- 2.1 The GLA is a strategic authority with a London-wide role to design a better future for the capital. The Mayor of London sets a citywide vision of improvement, develops strategies and policies to realise the vision and provides funding and encouragement to help make it a reality. The London Assembly holds the Mayor to account by examining his decisions and actions to ensure he delivers on his promises to Londoners.
- 2.2 For the purpose of budget setting the Mayor of London and London Assembly must be treated as separate constituent bodies. The component budget for the Assembly comprises estimates for direct expenditure and income, and appropriate contingencies and financial reserves for Assembly functions and is set out at **Section 3**. The budget for the Mayor is set out below and comprises the rest of the GLA, and includes expenditure incurred on accommodation in relation to the Assembly's business and goods and services provided or procured for the Authority in general.

### Key deliverables

- 2.3 A new look GLA business plan has been published which includes a set of key performance indicators (KPIs) covering all main Mayoral policy and programme activities to be delivered by the GLA. The major GLA programmes supporting the Mayor's ambitions are, as follows:
- through the Mayor's Regeneration Fund and the Outer London Fund, bringing vitality to London's high streets. Local economies will be strengthened, jobs created and safeguarded, the public realm transformed and local infrastructure will be made fit for the future;
  - giving talented young Londoners the opportunity to contribute to London's success, and build the foundation of a successful career, by creating 250,000 apprenticeships;
  - by implementing the Mayor's Education Delivery Plan, drive up standards in London's schools, boosting attainment and giving every child the platform they need to succeed;
  - increasing the supply of affordable homes, delivering 100,000 over the two Mayoral terms – supporting up to 200,000 jobs – and identifying new and better approaches to increasing housing supply;
  - retrofitting more of London's homes and public workplaces, saving carbon and cutting bills;
  - making London a greener, cleaner city by creating 100 pocket parks and planting 10,000 trees;
  - building on the London 2012 sporting legacy by further boosting sport at the grassroots;

## Section 2 – Greater London Authority Mayor of London

---

- using the GLA’s planning powers and significant land holdings to stimulate regeneration and create jobs, including progressing the transformation of the Royal Docks and the creation of a new Mayoral Development Corporation at Old Oak Common;
- enhancing London’s cultural capital and delivering a diverse programme of events to create economic value, excite and put London in the world’s spotlight; and
- through Team London, helping and encouraging Londoners to volunteer and do something great for their city.

### Gross revenue expenditure

- 2.4 The Mayor’s gross revenue expenditure for the GLA in 2014-15 is budgeted at £755.1 million. After netting off the forecast £349.0 million tariff payment payable to CLG in respect of business rates retention the **gross revenue expenditure on GLA services is proposed to be £406.1 million in 2014-15** – £0.9 million lower than 2013-14.

### Net revenue expenditure and council tax requirement

- 2.5 After deducting fees, charges, investment income, business rate supplement revenues for Crossrail, and use of earmarked and general reserves from the gross revenue expenditure figure, budgeted **net expenditure for 2014-15 for the Mayor is proposed to be £210.5 million**. After deducting income from government grants and retained business rates **the council tax requirement for the Mayor before the application of collection fund surpluses and/or deficits is proposed as £73.8 million**. After applying the net aggregate collection fund surplus for council tax and deficit for retained business rates for 2013-14 **the statutory council tax requirement for the Mayor is £76.0 million**.

### Summary of GLA budget

- 2.6 The key changes in income and expenditure between years for each of the main service areas are set out in the tables below. The first table below provides the Mayor’s separate component budget on an objective basis. The second table provides the budget on a subjective basis.

## Section 2 – Greater London Authority Mayor of London

### Mayor - Objective analysis

GLA Service/directorate analysis	Revised budget 2013-14 £m	Forecast Outturn 2013-14 £m	Budget 2014-15 £m	Plan 2015-16 £m
Development, Enterprise & Environment	31.2	23.1	20.8	12.2
External Affairs	7.1	7.3	6.4	6.4
Communities & Intelligence	17.0	15.2	34.7	18.9
Housing & Land	28.5	24.5	23.1	21.8
Resources	36.6	37.0	27.9	27.1
Corporate Management Team	1.3	1.3	1.1	1.1
Mayor's Office	4.2	4.2	4.2	4.2
Elections	0.3	0.3	0.8	6.5
<b>Sub-total Directorate expenditure</b>	<b>126.2</b>	<b>112.9</b>	<b>119.0</b>	<b>98.2</b>
Olympic Funding Agreement	61.0	61.0	61.0	61.0
London Waste & Recycling Board	1.5	1.5	1.5	0.0
Museum of London	7.6	7.6	7.6	7.6
London and Partners	10.4	10.4	11.7	11.7
LLDC	37.4	37.4	38.2	18.0
Contingency	4.3	4.3	4.8	4.8
<b>Net service expenditure</b>	<b>248.4</b>	<b>235.1</b>	<b>243.8</b>	<b>201.3</b>
Non Crossrail Financing costs & taxation	7.9	7.5	19.4	18.9
Crossrail Financing costs	144.0	107.0	121.0	130.0
Business rates retention tariff and forecast levy payments	342.3	342.3	357.8	359.5
<b>Total net expenditure</b>	<b>742.6</b>	<b>691.9</b>	<b>742.0</b>	<b>709.7</b>
<b>Income</b>				
Crossrail Business Rate Supplement	-144.0	-107.0	-121.0	-130.0
Interest receipts	-2.3	-7.8	-2.2	-2.0
Business rates income to fund tariff	-342.3	-342.3	-349.0	-359.5
<b>Net revenue expenditure</b>	<b>254.0</b>	<b>234.8</b>	<b>269.8</b>	<b>218.2</b>
Transfer to/from reserves	-76.8	-81.8	-59.3	-63.2
Net business rates retention surplus	0.0	24.2	0.0	0.0
<b>Mayor's Financing requirement</b>	<b>177.2</b>	<b>177.2</b>	<b>210.5</b>	<b>155.0</b>
Council tax freeze specific grants	9.4	9.4	9.4	9.4
Other specific grants	7.2	7.2	18.0	3.9
Retained business rates	29.8	29.8	57.0	31.9
Revenue support grant	35.8	35.8	52.3	33.8
<b>Council tax requirement</b>	<b>95.0</b>	<b>95.0</b>	<b>73.8</b>	<b>76.0</b>
Collection fund surplus for council tax	-10.4	-10.4	-15.1	0.0
Collection fund deficit for retained rates	0.0	0.0	17.3	0.0
<b>Statutory council tax requirement</b>	<b>84.6</b>	<b>84.6</b>	<b>76.0</b>	<b>76.0</b>

## Section 2 – Greater London Authority Mayor of London

### Mayor - Subjective analysis

Subjective analysis	Revised Budget	Forecast Outturn	Budget	Plan
	2013-14	2013-14	2014-15	2015-16
	£m	£m	£m	£m
Staff costs	34.8	37.5	35.2	34.8
Premises costs	19.0	18.6	18.0	18.0
Supplies and services	70.5	55.3	83.8	57.6
Transfer payments to third parties:				
Olympic funding agreement	61.0	61.0	61.0	61.0
London Waste and Recycling Board	1.5	1.5	1.5	0.0
Museum of London	7.6	7.6	7.6	7.6
London and Partners	11.2	11.2	11.7	11.7
LLDC	37.4	37.4	38.2	18.0
Capital financing costs:				
Capital financing costs Crossrail	144.0	107.0	121.0	130.0
Capital financing costs Non Crossrail	7.9	7.5	7.4	7.0
Minimum revenue provision	12.3	12.3	11.9	11.9
Business rates retention tariff and forecast levy payment	342.3	342.3	357.8	359.5
<b>Total revenue expenditure</b>	<b>749.5</b>	<b>699.2</b>	<b>755.1</b>	<b>717.1</b>
Sales fees and charges	-0.8	-1.4	-0.6	-0.6
Rental income	-2.5	-2.5	-1.9	-1.9
Crossrail Business rate supplement	-144.0	-107.0	-121.0	-130.0
Interest receivable	-2.3	-7.8	-2.0	-2.0
Business rates income applied to fund tariff	-342.3	-342.3	-349.0	-359.5
Other income	-3.6	-3.4	-10.8	-4.9
<b>Total income</b>	<b>-495.5</b>	<b>-464.4</b>	<b>-485.3</b>	<b>-498.9</b>
<b>Net revenue expenditure</b>	<b>254.0</b>	<b>234.8</b>	<b>269.8</b>	<b>218.2</b>
Transfer to/from reserves	-76.8	-81.8	-59.3	-63.2
Net business rates retention shortfall in year	0.0	24.2	0.0	0.0
<b>Mayor's Financing requirement</b>	<b>177.2</b>	<b>177.2</b>	<b>210.5</b>	<b>155.0</b>
Council tax freeze Specific grant	9.4	9.4	9.4	9.4
Other specific grants	7.2	7.2	18.0	3.9
Retained business rates	29.8	29.8	31.0	31.9
Net business rates retention surplus in year	0.0	0.0	26.0	0.0
Revenue support grant	35.8	35.8	52.3	33.8
<b>Basic Council tax requirement</b>	<b>95.0</b>	<b>95.0</b>	<b>73.8</b>	<b>76.0</b>
Collection fund surplus for council tax	-10.4	-10.4	-15.1	0.0
Collection fund deficit for retained rates	0.0	0.0	17.3	0.0
<b>Statutory council tax requirement</b>	<b>84.6</b>	<b>84.6</b>	<b>76.0</b>	<b>76.0</b>

## Section 2 – Greater London Authority Mayor of London

### Explanation of budget changes

- 2.7 An analysis of the year on year movements in the council tax requirement is set out in the table below.

<b>Changes in the proposed council tax requirement for the GLA (Mayor) component budget</b>	<b>£m</b>
<b>2013-14 council tax requirement</b>	<b>95.0</b>
<i>Changes due to:</i>	
Inflation	0
Savings	-5.9
Efficiencies	-1.8
New initiatives and service improvements	1.5
Change in use of reserves including Mayor's resilience	19.0
Change in government grants	-27.1
Change in retained business rates	8.1
Other changes	-15.0
<b>2014-15 basic council tax requirement</b>	<b>73.8</b>
Application of net collection fund surplus/deficit	2.2
<b>Statutory council tax requirement</b>	<b>76.0</b>

### Inflation

- 2.8 The GLA Budget includes no explicit provision for inflation. However, the contingency provision allows for some inflationary pressures.

### Savings and efficiencies

- 2.9 The Budget includes savings of £5.9 million and efficiencies of £11.3 million.

<b>Savings</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Staff costs	1.1	1.1
Programmes	0.6	0.6
Other Supplies and Services	0.9	0.9
Tax	3.0	3.0
<b>Total savings</b>	<b>5.9</b>	<b>5.7</b>

  

<b>Efficiencies</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Capital financing	63.9	95.3
Shared services	21.6	6.6
<b>Total efficiencies</b>	<b>101.0</b>	<b>111.3</b>

## Section 2 – Greater London Authority Mayor of London

---

### **New Initiatives**

- 2.10 The Budget includes savings of £1.5 million of new initiatives and service improvements.

### **Change in use of reserves**

- 2.11 The Budget proposes a net change in use of reserves of £19.0 million arising primarily from the phased application of sums received in the multi year London Settlement and the planned movements in relation to the Mayor's Resilience (former precept resilience) Reserve which supports group wide budget pressures – including financing the LSP5 implementation costs for LFEPA in 2014-15 and offsetting its grant reduction in 2015-16 – and manages risks in relation to council tax and retained rates income. The reserves figures reflect the impact of the change in the 2014-15 and 2015-16 taxbase forecasts and collection fund surpluses in respect of council tax and business rates retention.

### **Change in Government Grants (Revenue Support and Specific Grants)**

- 2.12 The GLA will be allocated approximately £79.7 million in government grants in 2014-15 by the Mayor – an increase of £27.3 million compared to 2013-14. This primarily reflects the impact of additional council tax freeze grant and specific grant income and a reallocation of resources with MOPAC as explained below.
- 2.13 The largest element of the GLA's government funding is general revenue support grant of £52.2 million which is around £16.4 million higher in cash terms than the Mayor's revised budget for 2013-14. However, on a like for like basis this is actually £3.8 million or 10 per cent lower which is in line with the average cut in general grant funding for local government as a whole.
- 2.14 This like for like variation arises because for 2014-15 onwards the Mayor is proposing to reallocate the £9.4 million of CLG revenue support grant paid to MOPAC in 2013-14 in respect of the 2011-12 council tax freeze grant to the GLA and the 2013-14 council tax freeze grant has been transferred into revenue support grant from 2014-15 rather than being paid as a specific grant. The former has been offset by a corresponding adjustment to respective council tax requirements – resulting in the GLA's requirement being reduced on a like for like basis by £9.4 million compared to the indicative planning estimates set out in the Mayor's 2013-14 budget.
- 2.15 In addition, £1.3 million of the Mayor's revenue support grant allocation relating to funding held back previously by the Government for capitalisation has been transferred into the Mayor's Resilience Reserve to support group wide budget risks and is not therefore being applied to support GLA services. In 2015-16 it is proposed that £12.4 million of the GLA's revenue support grant be allocated to LFEPA to meet the Mayor's funding commitment for fire services – comprising £8.7 million in notional council tax support grant and £3.7 million from the 2011-12 council tax freeze grant.

## Section 2 – Greater London Authority Mayor of London

---

- 2.16 The GLA is also due to receive £9.4 million in 2014-15 in respect of the 2014-15 council tax freeze grant. The receipt of this grant is conditional on the Mayor's precept being the same as or lower than the corresponding Band D figure for 2013-14. The council tax freeze grant income will be used to support the group wide budget. In addition, the GLA is due to receive £18 million in ring fenced specific grants – an increase of £10.8 million compared to 2013-14 – primarily relating to Department for Education funding to support school improvement and European Union grants.
- 2.17 These GLA grant figures exclude any grants paid under section 31 of the 2003 Local Government Act related to retained business rates to fund the reliefs and NNDR multiplier cap for 2014-15 announced in the Autumn Statement . These grants are treated as rates retention income and will be used to finance the GLA, LFEPA and TfL retained rates allocations set out in Appendix G – and therefore notionally allocated on a pro rata basis.
- 2.18 The final level of section 31 grants receivable in respect of rates retention will be dependent on the level of reliefs granted to ratepayers and the overall revenues collected from London billing authorities in 2014-15. Based on the forecasts provided by 30 of the 33 London billing authorities it is estimated that the GLA's section 31 grant for 2014-15 will be around £45 million (£43 million plus an estimated £2 million for the three billing authorities which had not submitted rates retention forecasts at the date of writing). This is in addition to the £10.2 million grant estimated payable in 2013-14 in order to fund the shortfall in revenues to the GLA arising from the small business double rate relief scheme.

### **Change in Rates Retention Funding**

- 2.19 The Mayor is proposing that the GLA will receive £31 million in funding via rates retention – and the Assembly £2.1 million. In both cases this represents an increase of 3.2 per cent compared to 2013-14 and reflects the uplift in the non domestic rating multiplier linked to the September 2013 RPI *before* the Government's cap announced in the Autumn Statement.
- 2.20 Of this 3.2 per cent increase it is assumed 2 per cent will be funded from the income received from non domestic ratepayers via billing authorities through the capped increase in the domestic rating multiplier for 2014-15 and the balance from central government section 31 grant. It also assumed therefore that the lost revenue to the GLA arising from the 2 percent cap on the increase in the non domestic rating multiplier for 2014-15 as well as the impact of the other business rates reliefs announced in the Autumn Statement on 5 December will be reimbursed by central government under the new burdens principle in line with the commitments given by the Secretary of State.

## Section 2 – Greater London Authority Mayor of London

---

- 2.21 Compared to the baseline funding allocations allocated for services there is an estimated £41.5 million shortfall for 2013-14 comprising the £24.5 million figure reflected in the original billing authority forecasts submitted in January 2013 and a further £17.3 million collection fund deficit for retained rates reported in their estimates. This is offset by an estimated £26.0 million of additional funding compared to the baseline funding allocations. This sum is after providing for an expected £8.8 million levy payment to the Secretary of State as the Mayor is required to pass over 27 per cent of any real terms growth in income to the Government. The wider rates retention funding assumptions are addressed in more detail in Appendix H and the proposed allocations of rates retention income by the Mayor are set out in Appendix G.

### **Other adjustments**

- 2.22 The Mayor is proposing other adjustments of £15.0 million which reflect revised capital financing costs, interest receipts and other minor changes.

### **Crossrail Business Rate Supplement and Contribution to Construction Costs**

- 2.23 The GLA's revenue budget includes £121 million of capital financing costs associated with the borrowing which has been undertaken to finance the GLA's £4.1 billion contribution to Crossrail. This is financed by 2p business rates supplement (BRS) on non domestic properties with a rateable value above £55,000.
- 2.24 Due to the successful borrowing strategy adopted, the GLA estimates that it will need to borrow some £150 million less for Crossrail than previously planned. In addition, the average interest rate paid for the borrowing is some 2.2 per cent lower than anticipated, leading to a saving to business ratepayers of just less than £2 billion over the life of the BRS. Subject to the profiling of future BRS receipts this saving may allow the GLA's debt to be repaid earlier than previously envisaged.
- 2.25 The total contribution by the GLA towards the cost of Crossrail in 2014-15 is forecast to be £530 million – as reflected in its capital spending plan and in line with the proposed phasing set out in the Crossrail BRS prospectus. This comprises £373 million financed by borrowing with an additional £157 million of BRS revenues being as a direct revenue contribution towards the Crossrail construction costs. The final apportionment between borrowing and the direct contribution will be dependent on the BRS revenues received in 2013-14 and 2014-15. All unapplied BRS revenues will be retained initially to fund refunds relating to rating appeals and thereafter for debt financing and repayment.
- 2.26 The final policies for the Crossrail Business Rate Supplement for 2014-15 were approved in Mayoral Decision 1305 which was published on 31 January 2014. The policies are unchanged from those applying in 2013-14.



## **Section 2 – Greater London Authority Mayor of London**

---

### **Contribution to Crossrail from Mayor's Community Infrastructure Levy**

- 2.27 In addition sums will also be raised via the Mayor's Community Infrastructure Levy as a direct contribution towards the Crossrail construction costs. The Crossrail funding package assumes that £300 million will be provided towards the cost of the project from this source although it will take a number of years for this sum to be collected. No assumptions are included on projected CIL revenues within the GLA budget as in practice the sums are paid by collecting authorities (the 32 boroughs and the Corporation of London) direct to TfL.

### **Contributions to London Legacy Development Corporation**

- 2.28 The Mayor is proposing to contribute £38.2 million from GLA resources to the LLDC to fund its activities in 2014-15. The LLDC budget is set out in section 7.

### **Olympic precept**

- 2.29 The Mayor has committed to raise up to £625 million from London Council Taxpayers as a contribution to the public sector funding package for the 2012 Olympic Games and Paralympic Games over the period 2006-07 to 2016-17. The present forecast is that £625 million will be raised by a Band D amount of £20 for 10 years and approximately £9 in year 11 in 2016-17 – after allowing for the use of GLA resources to ensure the sums paid are unaffected by the impact of the localisation of council tax support from 2013-14 onwards.
- 2.30 The Mayor's component budget includes the estimated sum of £61 million to be applied in 2014-15 in order to meet this commitment. This will be paid to the Olympic Delivery Authority (ODA) until its abolition during 2014 and thereafter to its successor bodies.

### **Business Rates Retention Tariff and Levy Payment**

- 2.31 Under the business rates retention system the GLA is required to make a fixed tariff payment to the Department for Communities and Local Government which is uprated annually by inflation. CLG has confirmed that that the tariff payment will increase by 2 per cent to £349 million in line with the capped change in the Non Domestic Rating multiplier announced in the Autumn Statement on 5 December. This reduction in the assumed tariff payment will be offset by a lower grant payable under section 31 of the 2003 Local Government Act to compensate for the effects of the multiplier cap and therefore has no net effect on the GLA budget. The assumed uplift in the tariff payment for 2015-16 is 3 per cent although this figure is purely indicative.
- 2.32 As indicated above the GLA has provided £8.8 million within the approved budget representing its potential levy payment to CLG based on the provisional 2014-15 forecasts provided by billing authorities. The actual sum due will not become known until billing authorities confirm their final 2014-15 outturn figures for rates retention in summer 2015 and no levy payments will be released to CLG before that date.

## Section 2 – Greater London Authority Mayor of London

---

- 2.33 The rates retention figures used in the budget reflect the information which was available to the GLA at the date it was approved based on the Non Domestic Rating Return (NNDR1) 1 forms it had received. Subsequently several billing authorities either provided final returns or amended those they had previously submitted. Taking into account these changes the final net collection fund deficit was £16.9 million (£0.44m lower than forecast) and forecast business rates income (including section 31 grants) was £4.1 million lower than forecast. This results in a variance compared to the approved budget assumptions of £3.7 million. The forecast levy payment – which has no net impact as any change is exactly offset by change in income – would be £7.7 million (i.e. £1.1 million lower than forecast).

### London Enterprise Panel (LEP)

- 2.34 The LEP is the body through which the Mayor works with London's boroughs, business and Transport for London to take a strategic view of the regeneration, housing, skills and other social or environmental improvement required in London. The LEP has allocated £110.8 million of Growing Places Fund, with £10.3 million incorporated into the GLA's revenue budget and £100.5 million in the GLA's Capital Programme.

### New Homes Bonus Pooled Funding from 2015-16

- 2.35 In the Chancellor's Autumn Statement it was announced that from 2015-16 the LEP will receive £70 million of pooled funding from New Homes Bonus revenues in London. Further details are awaited from the Government.

### Budget Prioritisation Process

- 2.36 In preparing its budget the GLA undertook a budget prioritisation process which will drive forward efficiency savings and deliver a sustainable medium term plan. The outcome of this process has been reflected in this final budget.

### Equalities

- 2.37 GLA officers have sought to protect, wherever possible, programmes involving London's communities. Key GLA programmes focused on equality groups, such as youth opportunities, have not been asked to make savings.

### Environmental impact

- 2.38 The Mayor is continuing to work towards improving London's environment. Energy supply and master planning is key to delivering sustainable development for London's economy. Investment will continue through a Decentralised Energy programme to help bring decentralised energy projects to the market.

### Reserves

- 2.39 At 31 March 2014 the GLA's net general reserves balance is expected to total £14.0 million. This balance is forecast to remain constant through to the end of 2015-16.

## Section 2 – Greater London Authority Mayor of London

- 2.40 In addition it is forecast that the GLA will hold £208.3 million of earmarked reserves at 31 March 2014 which are expected to reduce to £85.8 million by March 2016. This reflects the remaining drawdown of the funding provided through the London Settlement along with transfers to and from the Elections Reserve and the Mayor's Resilience Reserve – primarily in the latter case to reflect the support being provided to LFEPA to support the implementation of LSP5 in 2014-15 and to offset the expected impact of the forecast reductions in revenue support grant in 2015-16.
- 2.41 Following the introduction of the new local government finance system in April 2013 the Mayor has established this new resilience reserve to manage upside and downside risks relating to retained business rates and council tax.
- 2.42 The resilience reserve will also be used to manage the implementation of the Mayor's precept reduction, council taxbase buoyancy, retained business rates surpluses or deficits and the application of general revenue streams provided to the Mayor such as council tax freeze grants from 2014-15 onwards. The resilience reserve has been updated to reflect the impact of the council taxbase, rates retention forecasts and collection fund surplus data received from billing authorities at the end of January.

<b>Movement in GLA reserves during financial year</b>	<b>Outturn 2012-13</b>	<b>Forecast 2013-14</b>	<b>Budget 2014-15</b>	<b>Plan 2015-16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Opening balances</b>	<b>317.5</b>	<b>304.1</b>	<b>222.3</b>	<b>163.0</b>
Transfers to/from:				
Earmarked reserves	-17.8	-81.8	-59.3	-63.2
General reserves	4.4	0.0	0.0	0.0
<b>Closing balances</b>	<b>304.1</b>	<b>222.3</b>	<b>163.0</b>	<b>99.8</b>

- 2.43 The expected total reserves at the end of each financial year are summarised below:

<b>Total GLA reserves at end of financial year</b>	<b>Outturn 2012-13</b>	<b>Forecast 2013-14</b>	<b>Budget 2014-15</b>	<b>Plan 2015-16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Earmarked reserves	290.1	208.3	149.0	85.8
General reserves	14.0	14.0	14.0	14.0
<b>Total</b>	<b>304.1</b>	<b>222.3</b>	<b>163.0</b>	<b>99.8</b>

- 2.44 The tables exclude forecast accumulated Crossrail Business Rate Supplement balances at the end of March 2014 estimated at £70 million which will be held in a ring fenced reserve to meet future financing costs, debt repayments and refunds to ratepayers arising from successful rating appeals. These funds cannot be used for any other purpose by the GLA.

## **Section 2 – Greater London Authority Mayor of London**

---

### **Determination of council tax requirement for Mayor and Assembly**

- 2.45 The GLA is required to determine separate council tax requirements for the Mayor and the London Assembly. This means that the sum of the GLA's general grant funding and retained business rates must be notionally apportioned between the Mayor and the London Assembly.
- 2.46 Using the methodology adopted in earlier years £4.7 million (£2.1 million via rates retention and £2.6 million via revenue support grant) of the notional former GLA general grant payable for 2014-15 is attributable to the London Assembly. The impact of this on the Assembly's budget and council tax requirement is set out in Section 3.

## Section 3 – Greater London Authority: London Assembly

---

### Introduction

- 3.1 The separate component budget for the London Assembly comprises GLA costs arising in respect of Assembly Members, of employees of the Authority who work as support staff for the Assembly, of goods or services procured solely for the purposes of the Assembly and of the support provided by the Assembly to London TravelWatch, the watchdog for transport users in and around London.

### Key deliverables

- 3.2 The Assembly Secretariat has seven objectives to guide its work, to support:
- the Assembly and its committees to enable them to effectively hold the Mayor to account;
  - the Assembly and its committees to conduct effective investigations into issues of importance to Londoners;
  - Assembly Members in relation to their representative and constituency roles;
  - raising the profile of the work of the Assembly and enhance its positive reputation among Londoners;
  - the effective governance of the GLA, including support for the work of the Monitoring Officer;
  - the Assembly in carrying out its statutory duties towards London TravelWatch; and
  - the Greater London Returning Officer in the effective planning and management of the Mayoral and London Assembly elections.

### Gross revenue expenditure

- 3.3 **The Mayor is proposing that the Assembly's gross revenue expenditure for 2014-15 is £7.6 million** – a reduction of £0.2 million compared to 2013-14.

### Net revenue expenditure and council tax requirement

- 3.4 The Mayor is proposing that **the Assembly's net expenditure for 2014-15 is £7.2 million**. This is 2.7 per cent lower than that in 2013-14 on a like for like basis and reflects the impact of deducting its general income and funding from revenue support grant and retained rates allocated to it by the Mayor.
- 3.5 As set out in section 2, deducting the respective GLA general grant and retained business rates shares for the Mayor and Assembly having regard to their respective net expenditure, results in the Mayor proposing **a council tax requirement for the Assembly of £2.5 million in 2014-15**. The revenue budget for the Assembly is set out in the tables below on an objective and subjective basis.

## Section 3 – Greater London Authority: London Assembly

Assembly Objective Analysis	Budget	Forecast	Budget	Budget
	2013-14	2013-14	2014-15	Plan
	£m	£m	£m	£m
Assembly Members	1.7	1.8	1.8	1.8
Member Services	2.2	2.1	2.1	2.1
Scrutiny & Investigations	1.2	1.2	1.2	1.2
Committee Services	0.6	0.6	0.5	0.5
External Relations	0.3	0.3	0.3	0.3
Director/Business Support	0.3	0.3	0.3	0.3
London TravelWatch	1.1	1.1	1.0	1.0
<b>Net revenue expenditure</b>	<b>7.4</b>	<b>7.4</b>	<b>7.2</b>	<b>7.2</b>
Financed by:				
Retained business rates	2.0	2.0	2.1	2.1
Revenue support grant	2.8	2.8	2.6	2.6
<b>Council tax requirement</b>	<b>2.6</b>	<b>2.6</b>	<b>2.5</b>	<b>2.5</b>

Assembly Subjective Analysis	Revised	Forecast	Budget	Plan
	Budget	Outturn	2014-15	2015-16
	2013-14	2013-14	£m	£m
Staff costs	6.3	6.3	6.1	6.1
Supplies and services	1.5	1.5	1.5	1.5
<b>Total revenue expenditure</b>	<b>7.8</b>	<b>7.8</b>	<b>7.6</b>	<b>7.6</b>
<b>Total income</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>
<b>Financing requirement</b>	<b>7.4</b>	<b>7.4</b>	<b>7.2</b>	<b>7.2</b>
Retained business rates	2.0	2.0	2.1	2.1
Revenue support grant	2.8	2.8	2.6	2.6
<b>Council tax requirement</b>	<b>2.6</b>	<b>2.6</b>	<b>2.5</b>	<b>2.5</b>

### Explanation of budget changes

- 3.6 An analysis of the year on year movement in council tax requirements is set out below. An explanation of each change is detailed in the paragraphs below.

Changes in the Assembly's council tax requirement	2014-15
	£m
<b>2013-14 council tax requirement</b>	<b>2.6</b>
<i>Changes due to:</i>	
Inflation	0.1
Savings	-0.2
Efficiencies	-0.1
Changes in government grants and retained rates	0.1
<b>2014-15 council tax requirement</b>	<b>2.5</b>

## Section 3 – Greater London Authority: London Assembly

---

### Inflation

- 3.7 The Budget includes a provision for a pay award of £0.1m in the Assembly's budget.

### Savings and efficiencies

- 3.8 The Budget includes £0.2 million of savings and £0.1 million of efficiencies offered by the Assembly in 2014-15.

<b>Savings and efficiencies</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Savings	0.2	0.0
Efficiencies	0.1	0.0
<b>Total</b>	<b>0.3</b>	<b>0.0</b>

### Changes in Government Grants and Retained Business Rates

- 3.9 The Assembly's proportionate reduction in Government grants for 2014-15 (RSG) is £0.2 million offset by a £0.1 million uplift in respect of RPI growth applied to its rates retention share as approved in the 2013-14 budget.

### Equalities

- 3.10 All the Assembly's savings and efficiencies are administrative in nature and therefore do not have an adverse equalities impact.

### Environmental impact

- 3.11 None of the Assembly's savings and efficiencies have any adverse environmental impact.

### Reserves

- 3.12 The Mayor's proposed budget for the Assembly includes an estimated earmarked Assembly Development and Resettlement reserve of £1.1 million as at the beginning of 2014-15.

## **Section 4 – Mayor’s Office for Policing and Crime (MOPAC)**

---

### **Introduction**

- 4.1 The Mayor’s Office for Policing and Crime (MOPAC) works on behalf of Londoners to hold the Metropolitan Police Service (MPS) to account and improve the provision of criminal justice services across the capital. In April 2013 following extensive consultation MOPAC published an ambitious Police and Crime Plan which set out the Mayor’s strategy for policing and crime reduction over a three year period for 2013-2016.

### **Key deliverables**

- 4.2 The Mayor’s proposed budget for MOPAC has been prepared to support the delivery of the Police and Crime Plan and specifically to :

- cut crime by 20 per cent in seven key neighbourhood crime types, reducing the number of crimes by up to 250,000;
- increase confidence by 20 per cent to 75 per cent of Londoners thinking the MPS are doing a good or excellent job;
- cut costs by 20 per cent, delivering £500 million of savings;
- seek swifter justice for victims by reducing delays in the criminal justice system by 20 per cent;
- achieve surer justice by increasing compliance with community sentences by 20 per cent; and
- reduce reoffending by young people leaving custody in London by 20 per cent.

- 4.3 In response to the goals in the Police and Crime Plan, the MetChange programme is being delivered to transform the MPS. It is redesigning the way that police services are delivered in London through a new operating model – the One Met Model. This includes:

- under Neighbourhood Policing, an increase of more than 2,000 officers over the next couple of years, which supports the Mayor’s target of 32,000 officers;
- a new command Met Operations and Intelligence, which brings together intelligence, command and control and resource management to allow resources to be deployed where they are most needed;
- Pan London Services which reconfigures specialist policing services working across London, including the Territorial Support Group, Marine Policing Unit, Dog Support Unit and Mounted Branch;
- Shared Support Services which is putting customer service at the heart of how core support functions are delivered to the rest of the Met; and



## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

- the new Met HQ which will set one clear strategic direction for the Met by bringing together professional strategic support services and delivering a rank mix for police officers in line with most similar forces.

### Gross revenue expenditure

- 4.4 The Mayor has approved an increase in MOPAC’s overall budgeted expenditure for 2014-15 of £158.7 million. **Gross revenue expenditure by MOPAC is to be reduced by £31.7 million to £3,253.0 million in 2014-15** compared to the revised budget for 2013-14 of £3,284.7 million.

### Net revenue expenditure and council tax requirement

- 4.5 After deducting fees, charges, investment income, other income and use of reserves, from its gross expenditure of £3,253.0 million the Mayor has agreed that MOPAC’s **net expenditure for 2014-15 before the application of government grants and council tax is £2,923.3 million. The Mayor proposes that the council tax requirement for MOPAC is £564.2 million.** The Mayor’s proposed revenue budget for MOPAC is summarised in the tables below on an objective and subjective basis.

MOPAC Objective analysis	Revised Budget 2013-14 £m	Forecast 2013-14 £m	Budget 2014-15 £m	Plan 2015-16 £m
<b>Business Groups:</b>				
Neighbourhood Policing	822.0	814.3	817.2	828.3
Pan London	1,168.4	1,161.2	1,155.6	1,148.9
Control Infrastructure	324.3	322.9	319.9	312.3
Met HQ	581.6	588.2	575.6	497.5
Support Services	261.4	261.0	254.1	246.0
<b>Total Business Groups</b>	<b>3,157.7</b>	<b>3,147.6</b>	<b>3,122.4</b>	<b>3,033.0</b>
Discretionary Pensions Costs	38.0	36.6	38.0	38.0
Capital financing costs	53.6	53.6	59.7	71.6
Interest receipts	-0.8	-0.8	-0.8	-0.8
<b>Total corporate budgets</b>	<b>90.8</b>	<b>89.4</b>	<b>96.9</b>	<b>108.8</b>
<b>Mayor’s Office for Policing and Crime</b>	<b>35.4</b>	<b>35.5</b>	<b>32.9</b>	<b>31.7</b>
Other Income	-274.6	-273.4	-271.8	-271.8
<b>Net revenue expenditure</b>	<b>3,009.3</b>	<b>2,999.1</b>	<b>2,980.4</b>	<b>2,901.7</b>
Transfers to/from reserves	26.2	35.6	-57.1	-41.0
<b>Net financing requirement</b>	<b>3,035.5</b>	<b>3,034.7</b>	<b>2,923.3</b>	<b>2,860.7</b>
Specific Grants – Home Office	389.9	389.1	355.4	355.4
Specific Grants – Council Tax Support	119.3	119.3	119.7	119.3
Home Office Police Grant	1,138.4	1,138.4	1,101.1	1,058.2
Home Office Formula Grant	821.4	821.4	782.9	763.5
CLG Revenue support grant	9.4	9.4	0.0	0.0
<b>Council tax requirement</b>	<b>557.1</b>	<b>557.1</b>	<b>564.2</b>	<b>564.2</b>

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

MOPAC Subjective analysis	Revised Budget 2013-14 £m	Forecast 2013-14 £m	Budget 2014-15 £m	Plan 2015-16 £m
Total pay and overtime	2,519.6	2,499.8	2,502.6	2,486.5
Total running expenses	673.5	683.3	652.7	578.3
Capital financing costs	53.6	53.6	59.7	71.6
<b>Total expenditure</b>	<b>3,246.7</b>	<b>3,236.7</b>	<b>3,215.0</b>	<b>3,136.3</b>
<b>Income</b>				
Interest Receipts	-0.8	-0.8	-0.8	-0.8
Other Income	-274.6	-273.4	-271.8	-271.8
<b>Total income</b>	<b>-275.4</b>	<b>-274.2</b>	<b>-272.6</b>	<b>-272.6</b>
Discretionary pension costs	38.0	36.6	38.0	38.0
<b>Net expenditure</b>	<b>3,009.3</b>	<b>2,999.1</b>	<b>2,980.4</b>	<b>2,901.7</b>
Transfers to/from reserves	26.2	35.6	-57.1	-41.0
<b>Net financing requirement</b>	<b>3,035.5</b>	<b>3,034.7</b>	<b>2,923.3</b>	<b>2,860.7</b>
Specific Grants – Home Office	389.9	389.1	355.4	355.4
Specific Grants – Council Tax Support	119.3	119.3	119.7	119.3
Home Office Police Grant	1,138.4	1,138.4	1,101.1	1,058.2
Home Office Formula Grant	821.4	821.4	782.9	763.5
CLG Revenue support grant	9.4	9.4	0.0	0.0
<b>Council tax requirement</b>	<b>557.1</b>	<b>557.1</b>	<b>564.2</b>	<b>564.2</b>

### Explanation of budget changes

- 4.6 An analysis of the year on year movement in the Mayor’s proposed council tax requirement for MOPAC is set out below and an explanation of each change is provided in the paragraphs that follow. In addition, Appendix B sets out a subjective analysis of MOPAC’s budget and a summary of its proposed savings and efficiencies.

Changes in the MOPAC’s council tax requirement	£m
<b>2013-14 council tax requirement</b>	<b>557.1</b>
<i>Changes due to:</i>	
Inflation	50.6
Savings	-32.9
Efficiencies	-101.0
New initiatives and net change in existing services	62.5
Changes in Government grants	112.4
Change in use of reserves	-84.5
<b>2014-15 council tax requirement</b>	<b>564.2</b>

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

### Inflation

- 4.7 The Budget proposals include a provision for inflation of £50.6 million.

### Savings and efficiencies

- 4.8 In order to assist in achieving the overall budget additional police staff savings and efficiencies in 2014-15 of £32.9 million and £101million respectively are proposed. These savings are additional to the savings and efficiencies already identified for 2013-14 in last year’s planning process. Total savings and efficiencies for MOPAC for 2014-15 and 2015-16 are summarised in Tables 2 and 3 at Appendix B. Adding the savings and efficiencies already made in 2013-14 to the now planned savings and efficiencies for 2014-15 and 2015-16 will deliver the £500 million target savings required to meet the commitment to reduce MOPAC’s costs by 20 per cent.

<b>Savings</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Inanimate Costs	24.2	57.4
Operational Capability	8.7	2.1
<b>Total savings</b>	<b>32.9</b>	<b>59.5</b>

<b>Efficiencies</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Inanimate Costs	63.9	95.3
Process Improvement / Outsourcing	15.5	9.4
Operational Capability	21.6	6.6
<b>Total efficiencies</b>	<b>101.0</b>	<b>111.3</b>

### New initiatives and net change in existing services

- 4.9 The Budget proposes a net change in MOPAC’s existing services of £62.5 million in 2014-15. This reflects the impact of the Mayor’s commitment that MOPAC budget for a police officer strength of 31,957 at both 31 March 2015 and 31 March 2016.

<b>New Initiatives</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Inanimate Costs	5.5	2.0
Process Improvement/outsourcing	23.2	0.0
Operational capability	33.8	31.7
<b>Total new initiatives</b>	<b>62.5</b>	<b>33.7</b>

### Change in use of reserves

- 4.10 MOPAC’s change in use of reserves in 2014-15 will be £84.5 million. This relates principally to the removal of the contribution to reserves in 2013-14, the use of the 2012-13 managed underspend created to meet future pressures, and the provision for a late notification of a top slice of grant by the Government relating to the Innovation Fund and the Independent Police Complaints Commission (IPCC).

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

### Changes in Government grants

- 4.11 The Mayor is forecasting that MOPAC will see a net reduction in Government Grants of £112.4 million in 2014-15 compared to its original 2013-14 Budget. This consists of a reduction of £85.3 million in general Government grants and £27.1 million in specific grants. The Mayor has reallocated the £9.4 million of revenue support grant allocated to MOPAC in 2013-14 in respect of the 2011-12 council tax freeze grant to the GLA. This has been offset exactly in 2014-15 by a corresponding adjustment to respective council tax requirements. This change will ensure MOPAC is funded exclusively via Home Office grant and council tax and provides it with protection from the reductions in revenue support grant for local authority services in 2014-15 and 2015-16.
- 4.12 Further details on the MOPAC general grant allocation announced in the provisional police grant settlement on 18 December 2013 are set out in Appendix H.

### Equalities

- 4.13 Throughout the planning process Business Groups have been encouraged to consider the impact they have on internal and external communities and therefore develop activities that reflect the Service’s commitment to equality and diversity issues.

### Environmental impact

- 4.14 The planning framework will help to ensure that environmental sustainability issues are properly reflected in future plans and budgets.

### Reserves

- 4.15 At 31 March 2014 the Mayor forecasts that MOPAC’s general reserves balance will total £19.5 million. This balance is forecast to be maintained as at 31 March 2015.
- 4.16 In addition, it is estimated that MOPAC will hold £250.0 million of earmarked reserves at 31 March 2014 which are then forecast to fall to £151.9 million at 31 March 2016.

<b>Movement in reserves During Financial Year</b>	<b>Outturn 2012-13 £m</b>	<b>Forecast 2013-14 £m</b>	<b>Budget 2014-15 £m</b>	<b>Plan 2015-16 £m</b>
<b>Opening balances</b>	<b>252.6</b>	<b>321.9</b>	<b>269.5</b>	<b>212.4</b>
Transfers to/from:				
Earmarked reserves	-11.0	-48.4	-57.1	-41.0
General reserves	80.3	-4.0	0.0	0.0
<b>Closing balances</b>	<b>321.9</b>	<b>269.5</b>	<b>212.4</b>	<b>171.4</b>

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

---

4.17 The expected total reserves at the end of each financial year are summarised below:

<b>Total MOPAC reserves at end of financial year</b>	<b>Outturn 2012-13 £m</b>	<b>Forecast 2013-14 £m</b>	<b>Budget 2014-15 £m</b>	<b>Plan 2015-16 £m</b>
Earmarked reserves	298.4	250.0	192.9	151.9
General reserves	23.5	19.5	19.5	19.5
<b>Total</b>	<b>321.9</b>	<b>269.5</b>	<b>212.4</b>	<b>171.4</b>

## **Section 5 – London Fire and Emergency Planning Authority (LFEPA)**

---

### **Introduction**

- 5.1 The London Fire and Emergency Planning Authority (LFEPA) is responsible for fire and rescue services in London and it supports the London boroughs in their emergency planning role.
- 5.2 LFEPA approved the Fifth London Safety Plan (LSP5) in November 2013 following the direction issued by the Mayor. LFEPA's key priorities are to:
- promote community safety and fire prevention activity to mitigate the risk to communities in London;
  - make sure that buildings in London conform to the appropriate fire safety standards in order to protect Londoners and visitors to London;
  - get resources to emergency incidents as quickly as possible, maintaining and improving where possible, their performance against their standards of attendance for first and second appliances; and
  - deliver services in a cost effective way.

### **Key deliverables**

- 5.3 LSP5 set out headline targets with two components: the first component is the level of reduction that is reasonably believed to be achievable through maintaining current focus with current resources. The second component is a 'stretch target' - targets that are more challenging and are likely to require changes to the way LFEPA delivers services, including greater involvement and support from partners. LFEPA's headline targets in LSP5 are by March 2016 to:
- reduce fires in the home by 2 per cent (without stretch) and 8 per cent (with stretch);
  - carry out a further 219,000 home fire safety visits;
  - reduce fires in care homes and sheltered housing by 3 per cent (without stretch) and 9 per cent (with stretch);
  - reduce fires in non-domestic buildings by 4 per cent (without stretch) and 16 per cent (with stretch);
  - reduce fire related fire deaths by 6 per cent;
  - reduce all outdoor rubbish fires by 14 per cent (without stretch) and 28 per cent (with stretch);
  - reduce false alarms from automated systems in non-domestic buildings by 17 per cent (without stretch) and 27 per cent (with stretch); and

## Section 5 – London Fire and Emergency Planning Authority (LFEPA)

- reduce the shut-in-lift incidents attended by 8 per cent (without stretch) and 19 per cent (with stretch).

### Gross revenue expenditure

- 5.4 **Gross revenue expenditure by LFEPA is** to be reduced by some £15.5 million to **£431.6 million in 2014-15** compared to the revised budget for 2013-14 of £447.1 million which arises from the implementation of LSP5.

### Net revenue expenditure and council tax requirement

- 5.5 After deducting fees, charges, and other income and use of reserves from its gross revenue expenditure of £424.5 million, **the Mayor has approved LFEPA's budget net expenditure for 2014-15 as £403.0 million. The Mayor has also agreed that the council tax requirement for LFEPA is £138.2 million.**
- 5.6 The Mayor's proposed revenue budget for LFEPA is set out in the tables below on an objective and subjective basis.

<b>LFEPA Objective Analysis</b>	<b>Revised Budget 2013-14 £m</b>	<b>Forecast Outturn 2013-14 £m</b>	<b>Budget 2014-15 £m</b>	<b>Plan 2015-16 £m</b>
Community safety	34.6	33.9	33.1	33.8
Fire fighting and rescue	350.4	350.5	327.1	333.2
Fire-fighter pensions	21.4	21.4	22.0	22.5
Emergency planning	0.9	0.9	0.9	0.9
Central services	0.5	0.5	0.4	0.4
LSP5 implementation	0.0	0.0	7.1	0.0
Savings to be agreed	0.0	0.0	0.0	-6.8
<b>Net service expenditure</b>	<b>407.7</b>	<b>407.2</b>	<b>390.7</b>	<b>384.1</b>
Capital financing costs	10.8	10.6	10.6	12.3
External interest receipts	-0.7	-0.7	-0.5	-0.5
<b>Net revenue expenditure</b>	<b>417.8</b>	<b>417.1</b>	<b>400.8</b>	<b>395.9</b>
Transfer to/(from) general reserves	-4.1	-3.4	2.2	0.0
<b>Financing requirement</b>	<b>413.7</b>	<b>413.7</b>	<b>403.0</b>	<b>395.9</b>
Financed by:				
Specific grants	12.9	13.0	13.9	13.9
Revenue support grant	163.5	163.5	138.8	128.3
Retained Business Rates	108.9	108.9	112.2	115.5
<b>Council tax requirement</b>	<b>128.4</b>	<b>128.4</b>	<b>138.2</b>	<b>138.2</b>

## Section 5 – London Fire and Emergency Planning Authority (LFEPA)

LFEPA Subjective analysis	Revised Budget 2013-14 £m	Forecast 2013-14 £m	Budget 2014-15 £m	Plan 2015-16 £m
Operational staff	262.0	261.8	241.6	243.3
Other staff	47.8	48.2	45.8	44.6
Employee related	5.0	5.4	3.5	3.3
Pensions	21.1	21.1	21.7	22.3
Premises	31.1	30.8	30.6	32.8
Transport	25.1	24.8	24.8	25.3
Supplies and services	41.3	42.2	40.7	41.2
Third party payments	1.4	1.4	1.3	1.3
New initiatives	0.0	0.0	0.0	0.0
Savings to be allocated	0.0	0.0	0.0	-6.8
Capital financing costs	10.9	10.6	10.6	12.3
LSP5 implementation	0.0	0.0	7.1	0.0
Central contingency against inflation	1.5	0.6	3.9	7.8
<b>Total revenue expenditure</b>	<b>447.1</b>	<b>446.9</b>	<b>431.7</b>	<b>427.4</b>
<b>Total income</b>	<b>-29.3</b>	<b>-29.8</b>	<b>-30.8</b>	<b>-31.6</b>
<b>Net revenue expenditure</b>	<b>417.9</b>	<b>417.1</b>	<b>400.8</b>	<b>395.9</b>
Use of reserves	-4.1	-3.4	2.2	0.0
<b>Financing Requirement</b>	<b>413.7</b>	<b>413.7</b>	<b>403.0</b>	<b>395.9</b>
Financed by:				
Specific grants	12.9	13.0	13.9	13.9
Revenue support grant	163.5	163.5	138.8	128.3
Retained Business Rates	108.9	108.9	112.2	115.5
<b>Council tax requirement</b>	<b>128.4</b>	<b>128.4</b>	<b>138.2</b>	<b>138.2</b>

### Explanation of budget changes

- 5.7 An analysis of the year on year movement in the Mayor's proposed council tax requirement for LFEPA compared to the Mayor's approved budget for 2013-14 is set out below. An explanation of the year on year changes is provided in the paragraphs that follow. In addition, Appendix C sets out a subjective analysis of the Mayor's proposed budget for LFEPA and details of its proposed savings and efficiencies.



## Section 5 – London Fire and Emergency Planning Authority (LFEPA)

<b>Changes in the LFEPA's council tax requirement</b>	<b>£m</b>
<b>2013-14 council tax requirement</b>	<b>128.4</b>
<i>Changes due to:</i>	
Inflation	4.6
Savings	-29.0
Efficiencies	-5.5
Change in use of reserves	5.4
Net Change in Government grants and retained rates	18.6
Other adjustments	15.7
<b>2014-15 council tax requirement</b>	<b>138.2</b>

### **Inflation**

5.8 The Budget proposes that LFEPA make provision for inflation of £4.6 million in 2014-15.

### **Savings and Efficiencies**

5.9 The Budget proposes that LFEPA make savings of £29.0 million and efficiencies of £5.5m for 2014-15 relating primarily to the implementation of LSP5.

<b>Savings</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Procurement savings	1.0	0.6
Cost avoidance	2.4	0.1
Establishment savings	25.7	0.4
<b>Total savings</b>	<b>29.0</b>	<b>1.1</b>

<b>Efficiencies</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Procurement efficiencies	0.3	0.0
Cost avoidance	0.6	0.1
Establishment efficiencies	4.2	0.0
Other	0.4	0.2
<b>Total efficiencies</b>	<b>5.5</b>	<b>0.3</b>

### **New initiatives and service improvements**

5.10 The Budget proposes that LFEPA do not plan on budgeting for any material growth items in 2014-15.

### **Change in use of reserves**

5.11 The Budget proposes that in 2014-15 LFEPA's will have a change in use of balances of £2.4 million compared to 2013-14 position.

## **Section 5 – London Fire and Emergency Planning Authority (LFEPA)**

---

### **Change in Government Grants and Retained Business Rates**

- 5.12 Overall the share of government grant and retained rates funding allocated by the Mayor to LFEPA is around £18.6 million lower than in the revised budget for 2013-14.
- 5.13 The Mayor is proposing that LFEPA will receive £112.2 million in funding via rates retention in 2014-15. This is an increase of 3.2 per cent compared to 2013-14 and reflects the uplift in the non domestic rating multiplier linked to the September 2013 RPI *before* the Government's cap announced in the Autumn Statement. Of this 3.2 per cent uplift it is assumed 2 percent will be funded from the income received from non domestic ratepayers via billing authorities through the capped increase in the domestic rating multiplier for 2014-15 and the balance from government under the new burdens commitment. It is also assumed that the lost revenue to the GLA arising from the other business rates reliefs announced in the Autumn Statement on 5 December to support the High Street and retailers will be reimbursed by central government under the new burdens principle.
- 5.14 There are £15.7 million of other adjustments in the Mayor's proposed LFEPA budget reflecting the net effect of changes to financing costs; staff remuneration and pension costs; LSP5 implementation and other miscellaneous changes.

### **Equalities**

- 5.15 An equality impact analysis for savings made as part of this Budget was completed and considered as part of LFEPA's decision making process.

### **Environmental impact**

- 5.16 LFEPA has reviewed the savings proposals for sustainability and environmental implications with consideration of the Mayor's strategies to promote improvement of the environment.

### **Financing Implementation Costs of LSP5 in 2014-15**

- 5.17 With the implementation of LSP5 staff numbers are forecast to be above established levels for most of 2014-15. To meet the additional one off costs of voluntary severance and the impact of having staff above its establishment, the Mayor is now providing additional financial support through an increase in LFEPA's share of the precept compared to the proposals in his consultation budget in 2014-15 of £7.1m. There is a commensurate reduction in the GLA's share of the precept in 2014-15 and that reduction is to be financed from the Mayor's Resilience Reserve. The level of financial support will be reviewed in light of actual costs.

### **Meeting Mayor's Funding Commitment to LFEPA in 2015-16**

- 5.18 The Mayor had previously committed to ensuring that LFEPA's funding from Council Tax, Retained Business Rates, Revenue Support Grant and the Resilience Reserve will total £379.0 million in both 2014-15 and 2015-16. In addition LFEPA is forecast to receive a further £13.9 million of specific government grants in both years.

## Section 5 – London Fire and Emergency Planning Authority (LFEPA)

5.19 For 2014- 15 the support being provided from Mayoral funding sources has now been increased by £7.1 million to £386. 1 million to finance LSP5 implementation costs which is being delivered through an uplift to LFEPA’s council tax requirement as explained above. The Mayor’s proposed budget for 2015-16 provides support to LFEPA of £19.5 million to offset the impact of the expected additional cuts in revenue support grant in that year net of any inflationary uplift in retained business rates income. It is proposed that this £19.5 million of support will be financed by continuing the £7.1 million of additional council tax requirement provided in 2014-15 and reallocating £12.4 million of revenue support grant in 2015-16 from the GLA to LFEPA.

### Reserves

5.20 Subject to the resolution of one-off costs for the implementation of LSP5, at 31 March 2014 LFEPA’s general reserves are expected to total £10.4 million. This balance is forecast to reduce marginally to £10.2 million by 31 March 2015 and remain at this level by the end of 2015-16. In addition, it is forecast that LFEPA will hold £7.8 million of earmarked reserves at 31 March 2014. Earmarked reserves are forecast to increase to £10.1 million at 31 March 2016 – although the precise sum will be dependent on the extent to which funding will need to be drawn down to support its medium term planning including the estimated costs of strike action.

5.21 The expected movements in reserves over the planning period are set out in the table below.

<b>Movement in reserves During Financial Year</b>	<b>Outturn 2012-13</b>	<b>Forecast 2013-14</b>	<b>Budget 2014-15</b>	<b>Plan 2015-16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Opening balances</b>	<b>60.9</b>	<b>22.5</b>	<b>18.2</b>	<b>20.3</b>
Transfers to/from:				
Other Earmarked reserves	-11.0	-3.9	2.2	0.0
General reserves	-27.4	-0.4	0.0	0.0
<b>Closing balances</b>	<b>22.5</b>	<b>18.2</b>	<b>20.3</b>	<b>20.3</b>

5.22 The expected total reserves at the end of each financial year are summarised below:

<b>Total LFEPA reserves at end of financial year</b>	<b>Outturn 2012-13</b>	<b>Forecast 2013-14</b>	<b>Budget 2014-15</b>	<b>Plan 2015-16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Other Earmarked reserves	9.0	7.8	10.1	10.1
General reserves	13.5	10.4	10.2	10.2
<b>Total</b>	<b>22.5</b>	<b>18.2</b>	<b>20.3</b>	<b>20.3</b>

## **Section 5 – London Fire and Emergency Planning Authority (LFEPA)**

### **LFEPA Savings Target**

- 5.23 The LFEPA Full Authority met on 23 January 2014 to consider the additional savings and efficiencies that were required in 2014-15 to close its budget gap. This budget reflects the outcome of the budget proposals agreed at that meeting. In addition the Mayor has decided to allocate a further £3 million to LFEPA through an uplift to its council tax requirement in order to boost its reserves in order to help offset these challenges, particularly those arising from the costs of strike action.

## Section 6 – Transport for London

---

### Introduction

- 6.1 Transport for London (TfL) is responsible for the planning, delivery and day-to-day operation of the Capital's public transport system, including London's buses, Underground and Overground, the Docklands Light Railway (DLR), Tramlink and London River Services. It is also responsible for managing the Congestion Charge, maintaining London's main roads and traffic lights, regulating taxis, making London's transport more accessible and promoting walking and cycling initiatives.

### Key deliverables

- 6.2 Full details of TfL's priorities are set out in its business plan which was published in December 2013. TfL's key deliverables over the next decade, include:
- a 30 per cent reduction in Tube delays by 2015 compared to 2011;
  - reducing the number of people killed or seriously injured in London by 40 per cent by 2020;
  - introducing a new 24-hour Tube service at weekends from 2015;
  - contactless payment being expanded to TfL's rail services in 2014;
  - providing 33 per cent more capacity on the sub-surface railway by 2018;
  - providing 20 per cent more capacity on the Northern Line by 2014;
  - £4 billion of investment in London's roads over the next 10 years;
  - adding an extra car to all four-car London overground trains;
  - upgrading Paddington, Victoria, Bond St, Bank and Finsbury Park stations;
  - continuing to deliver Crossrail, which will transform rail capacity and journey times;
  - deliver the Northern Line Extension to Battersea;
  - with the transfer of the West Anglia Line to TfL in 2015, to transform these routes, supporting jobs and growth; and
  - delivering 600 New Bus for London vehicles by 2016.

### Gross revenue expenditure

- 6.3 The Mayor proposes that **TfL's total gross revenue budget for 2014-15 is** to be increased by around £261 million to **£6,549.8 million**.

## Section 6 – Transport for London

### Net Revenue budget and council tax requirement

- 6.4 The Mayor's **approved budget for TfL's gross revenue expenditure for 2014-15 is £6,549.8 million**. After deducting fare income, fees, charges, other income and its planned use of reserves, the Mayor has agreed that TfL's budgeted **net revenue expenditure for 2014-15 is £1,704 million**. This is summarised on an objective and subjective basis in the tables below.

TfL Objective Analysis	Revised	Forecast	Budget	Plan
	Budget			
	2013-14	2013-14	2014-15	2015-16
	£m	£m	£m	£m
<b>Income</b>				
Traffic Income	-4,082.7	-4,092.8	-4,323.4	-4,714.5
Congestion Charge, LEZ, Enforcement Income	-147.9	-149.4	-159.3	-168.4
Other Income	-509.9	-493.0	-518.7	-551.0
Interest Income	-14.5	-18.3	-21.7	-36.6
Sub total income	<b>-4,755.0</b>	<b>-4,753.4</b>	<b>-5,023.1</b>	<b>-5,470.5</b>
<b>Operating costs</b>				
London Underground and Tube Lines	2,241.4	2,231.9	2,334.9	2,271.8
Surface Transport	2,724.2	2,751.5	2,845.8	2,945.5
London Rail	352.8	356.5	400.0	483.2
Corporate Directorates	600.8	616.8	606.4	664.5
Sub total operating costs	<b>5,919.2</b>	<b>5,956.7</b>	<b>6,187.1</b>	<b>6,365.0</b>
<b>Other</b>				
Third-party contributions	-22.6	-26.3	-26.0	-23.4
Debt servicing	333.4	345.6	372.2	415.9
Group items	59.0	12.8	16.4	10.7
Sub total other	<b>369.7</b>	<b>332.0</b>	<b>362.7</b>	<b>403.2</b>
<b>Net services expenditure</b>	<b>1,533.9</b>	<b>1,535.4</b>	<b>1,526.6</b>	<b>1,297.6</b>
Revenue resources used to support capital investment	414.3	432.4	177.3	219.8
<b>Financing requirement</b>	<b>1,948.2</b>	<b>1,967.8</b>	<b>1,704.0</b>	<b>1,517.5</b>
Financed by:				
GLA Transport grant (general element)	1,090.5	1,093.5	835.0	629.0
Other Specific grants	48.9	65.5	34.5	29.2
Retained business rates	802.8	802.8	828.5	853.3
<b>Council tax requirement</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

Note: LEZ is the Low Emission Zone.

## Section 6 – Transport for London

TfL Subjective analysis	Revised Budget 2013-14 £m	Forecast 2013-14 £m	Budget 2014-15 £m	Plan 2015-16 £m
<b>Income</b>				
Fares Revenue	-4,082.7	-4,092.7	-4,323.4	-4,714.5
Congestion Charging	-147.9	-149.4	-159.3	-168.4
Enforcement Income	-127.2	-129.4	-126.2	-124.3
Taxi & Private Hire and VCS fees	-30.3	-30.9	-33.7	-34.8
Advertising Income	-147.0	-151.5	-167.7	-95.5
Rental Income	-61.4	-57.8	-62.5	-76.9
Other Income	-144.0	-123.5	-128.0	-219.5
<b>Sub total income</b>	<b>-4,740.6</b>	<b>-4,735.2</b>	<b>-5,000.9</b>	<b>-5,433.9</b>
<b>Operating Expenditure</b>				
Employee Expenses	1,835.6	1,866.1	1,975.9	1,967.5
Premises	294.4	293.3	264.8	258.1
PFI Payments	262.7	247.5	234.6	278.7
Bus Contract Payments (incl BSOG)	1,810.2	1,835.7	1,942.9	2,023.8
CCS & Other Road Contracted Services	279.8	307.7	313.1	302.3
Asset Maintenance & Local Authority Payments	574.0	546.1	616.1	588.0
Professional and Consultancy fees	71.9	79.6	81.7	47.7
Management Consultancy & Development fees	101.5	124.7	115.9	97.1
Ticket Commissions	53.4	53.7	58.8	61.1
Customer Information	42.8	51.6	39.7	34.0
National Rail Payments	7.0	7.1	7.3	7.9
Franchise Payments	227.5	226.6	240.4	245.0
Information and Communication Technology	201.8	248.8	215.5	264.1
Insurance	38.1	32.7	35.8	28.8
Traction Current	104.8	95.2	104.3	115.8
Other Expenses	-60.8	-138.9	-137.7	-29.0
Bad debt provision	51.8	52.7	51.5	50.7
<b>Total operating expenditure</b>	<b>5,896.5</b>	<b>5,930.3</b>	<b>6,160.6</b>	<b>6,341.6</b>
<b>Net operating expenditure</b>	<b>1,156.0</b>	<b>1,195.1</b>	<b>1,159.7</b>	<b>907.6</b>
Group Items and third parties	377.9	340.1	367.0	390.0
Revenue Surplus for capital use	414.4	432.6	177.3	219.8
<b>Total financing requirement</b>	<b>1,948.2</b>	<b>1,967.8</b>	<b>1,704.0</b>	<b>1,517.5</b>
Financed by				
GLA Transport grant (general grant)	1,090.5	1,093.5	835.0	629.0
Other Specific grants	48.9	65.5	34.5	29.2
Retained business rates	802.8	802.8	828.5	853.3
<b>Council tax requirement</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

## Section 6 – Transport for London

- 6.5 The Mayor is proposing that **TfL’s council tax requirement for 2014-15 is £6 million**. The balance of its net revenue expenditure is financed by £828.5 million of resources allocated to it by the Mayor through business rates retention, £835 million via the general element of the GLA transport grant and £34.5 million through other specific revenue grants from the Department for Transport (DfT).

### Explanation of budget changes

- 6.6 An analysis of the year on year movements in the Mayor’s proposed council tax requirement for TfL is set out below. An explanation of each change is detailed in the paragraphs below. Appendix D sets out:

- a subjective analysis of TfL’s budget;
- details of savings and efficiencies; and
- the application of net congestion charge revenue.

<b>Changes in the TfL’s council tax requirement</b>	<b>£m</b>
<b>2013-14 council tax requirement</b>	<b>6.0</b>
<i>Changes due to:</i>	
Inflation*	68.0
Savings and Efficiencies	-156.0
Fares, charges and other income changes	-70.0
New initiatives and service improvements (capital investment and net operational increases/decreases)	400.0
Change in use of reserves	-4.0
Changes in Government revenue grants	-282.0
Other adjustments	44.0
<b>2014-15 council tax requirement</b>	<b>6.0</b>

\* TfL does not separately account for inflation and so the numbers in this table are an estimate of the changes were the effects of inflation to be isolated.

- 6.7 Paragraphs 6.10 to 6.19 below reference the figures in the table above. These figures are an estimate of the year-on-year change with the effect of inflation isolated. All other TfL figures in this budget document have inflation included and will differ from the figures quoted in these paragraphs.



## Section 6 – Transport for London

### Inflation

- 6.8 The Budget proposes that TfL make provision for inflation in 2014-15 of £68 million.

### Fares charges and other income

- 6.9 Following the Autumn Statement the Mayor has agreed an overall average fares increase of 2.7 per cent for 2014 which is 0.4 per cent below the Retail Prices Index (RPI) at the benchmark date of July 2013. Travelcard prices have been frozen in real terms and the overall increase in one day travelcard and Oystercard pay as you go fares is 0.7 per cent below RPI. TfL's Business Plan assumes an average fares increase of RPI plus 1 per cent in 2015-16 onwards.

### Savings and efficiencies

- 6.10 The Mayor has proposed that TfL budget to make additional efficiencies of £156.0 million in 2014-15.

<b>Savings and efficiencies</b>	<b>2014-15 Budget £m</b>	<b>2015-16 Plan £m</b>
Rail and Underground	61.4	118.3
Surface Transport	72.8	-56.5
Corporate and Group Wide	21.9	38.3
<b>Total Gross Savings and efficiencies</b>	<b>156.1</b>	<b>100.1</b>

### New initiatives and service improvements

- 6.11 The Budget proposes significant investment in 2014-15 in new initiatives and service improvements for transport schemes of around £400 million.

### Change in use of reserves

- 6.12 The Budget proposes that TfL has a change in use of reserves of £4 million in 2014-15.

### Changes in Government grants and retained business rates income

- 6.13 On current assumptions the Mayor forecasts that TfL will see a net reduction in government grants for revenue activities of around £282 million in 2014-15 compared to the original forecast for 2013-14.
- 6.14 The remaining general element of TfL's transport grant paid by DfT will be reduced from £1,093.5 million in 2013-14 to £835 million in 2014-15 and by a further £206 million to £629 million in 2015-16. In addition TfL will receive a further £34.5 million in revenue specific grants in 2014-15.

## Section 6 – Transport for London

---

- 6.15 The Government also transferred £802.8 million of TfL funding to the rates retention funding baseline for the GLA group from April 2013. The Mayor intends to allocate TfL £828.5 million in rates retention funding in 2014-15. This represents an increase of 3.2 per cent compared to 2013-14 and reflects the uplift in the non domestic rating multiplier linked to the September 2013 RPI *before* the Government's cap announced in the Autumn Statement.
- 6.16 Of this 3.2 per cent increase it is assumed 2 percent will be funded from the income received from non domestic ratepayers via billing authorities through the capped increase in the domestic rating multiplier for 2014-15 with the balance being reimbursed by central government grant. It is assumed therefore the lost revenue arising from the impact of the additional business rates reliefs announced in the Autumn Statement on 5 December will be reimbursed by central government under the new burdens principle.

### Other adjustments

- 6.17 The Budget proposes other adjustments to TfL's budget totalling £44 million which includes changes in working capital, debt servicing and revenue generation from disposals.

### Equalities

- 6.18 Throughout the business planning round TfL has worked to mitigate any negative impacts that could be experienced by customers and users. TfL set out a Single Equality Scheme (SES) in 2012 which brings together in one place all equality schemes and the progress being made to deliver better transport provision for all Londoners. Informed by decisions in this year's planning round an update to the SES has been published.

### Environmental impact

- 6.19 TfL is pivotal in improving London's environment. Firstly, by reducing emissions, both carbon and local pollutants. Secondly, by demonstrating new technologies that promotes emerging technologies. Finally, and most importantly, TfL operates a reliable, high capacity network which enables London to be a dense, successful city and makes it possible for people to use low-polluting services.

### Reserves

- 6.20 At 31 March 2014 TfL's general reserves balance is estimated to total £158.3 million. This balance is forecast to remain constant through to 31 March 2016. In addition, TfL estimates that it will hold £1,750.5 million of earmarked reserves at 31 March 2014 which is estimated to reduce to £203.9 million at 31 March 2016. This is based on TfL's planned profile of expenditure to March 2016. The expected movements in reserves over the planning period are set out in the table below.

## Section 6 – Transport for London

<b>Movement in TfL's reserves during Financial Year</b>	<b>Outturn 2012-13 £m</b>	<b>Forecast 2013-14 £m</b>	<b>Budget 2014-15 £m</b>	<b>Plan 2015-16 £m</b>
<b>Opening balances</b>	<b>1,017.4</b>	<b>1,910.3</b>	<b>1,908.8</b>	<b>1,002.2</b>
Transfers to/from:				
Earmarked reserves	897.2	-1.7	-906.6	-640.0
General reserves	-4.3	0.2	0.0	0.0
<b>Closing balances</b>	<b>1,910.3</b>	<b>1,908.8</b>	<b>1,002.2</b>	<b>362.2</b>

6.21 The expected total reserves at the end of each financial year are summarised below:

<b>Total TfL reserves at end of financial year</b>	<b>Outturn 2012-13 £m</b>	<b>Forecast 2013-14 £m</b>	<b>Budget 2014-15 £m</b>	<b>Plan 2015-16 £m</b>
Earmarked reserves	1,752.2	1,750.5	843.9	203.9
General reserves	158.1	158.3	158.3	158.3
<b>Total</b>	<b>1,910.3</b>	<b>1,908.8</b>	<b>1,002.2</b>	<b>362.2</b>

## Section 7 – London Legacy Development Corporation

---

### Introduction

- 7.1 The London Legacy Development Corporation (“the Legacy Corporation”) is responsible for promoting and delivering physical, social, economic and environmental regeneration in the Queen Elizabeth Olympic Park and surrounding area. In particular, the Legacy Corporation aims to maximise the legacy of the Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of convergence.
- 7.2 Since the London 2012 Olympic and Paralympic Games, the Legacy Corporation has been working to clear the Games-time overlay, to connect the Park to surrounding neighbourhoods, and to complete the conversion of Park and venues to their legacy configuration. The Copper Box Arena, Timber Lodge and North Park re-opened in Summer 2013, with an events programme bringing 700,000 people back to the Park. Phased re-opening will continue in the spring of 2014, with the Stadium re-opening permanently in the summer of 2016. As the Park and venues re-open, the Legacy Corporation will begin to operate as a trading organisation, generating more of its own revenues.
- 7.3 Alongside its operational mobilisation, the Legacy Corporation’s wider role in creating a great place and creating opportunities for local people will assume ever greater importance. The Corporation will work in partnership to bring forward regeneration schemes and housing to further the transformation of East London enabled by the London 2012 Games. This includes delivering new social and transport infrastructure, and working with the host boroughs and other partners to create economic opportunity and support local people and businesses, as they seek to access it.

### Key deliverables

- 7.4 During 2014-15, the Legacy Corporation’s revenue budgets will be deployed to:
- deliver the next stage of re-opening the Park and venues, with a soft opening of the Aquatics Centre, ArcelorMittal Orbit and South Park in spring 2014;
  - deliver a diverse and exciting events programme, including a Games Anniversary event, full Park opening celebration, National Lottery Run and Ride London events;
  - promote Queen Elizabeth Olympic Park, to attract 3.5 million visits to the Park and venues over the year;
  - work with the growth boroughs, partners and contractors to support apprenticeships and programmes to ensure that targets for local employment can be met; and
  - develop plans to boost job creation and economic growth inter alia through creating a higher education and cultural quarter.

## Section 7 – London Legacy Development Corporation

### Gross revenue expenditure

- 7.5 The Mayor's approved **gross revenue expenditure budgeted for LLDC in 2014-15 is £39.8 million**. This represents a decrease of around £6.5 million compared to 2013-14.

### Net revenue budget and council tax requirement

- 7.6 After deducting fees, charges, its allocated contribution from the GLA, other income and its planned use of reserves, **the Mayor's approved net expenditure and council tax requirement for LLDC in 2014-15 is NIL**. Its revenue budget is summarised below on an objective and subjective basis.

LLDC Objective analysis	Revised Budget 2013-14 £m	Forecast Outturn 2013-14 £m	Budget 2014-15 £m	Plan 2015-16 £m
Park Opening and Operations	18.5	19.4	16.5	13.3
Real Estate and Regeneration	6.9	5.0	3.4	3.0
Corporate	13.7	16.1	14.0	13.0
Planning Authority	1.0	0.7	0.8	0.7
Irrecoverable VAT and contingency	5.4	5.1	5.1	1.3
<b>Total expenditure</b>	<b>45.5</b>	<b>46.3</b>	<b>39.8</b>	<b>31.3</b>
Real estate and regeneration income	0.0	-0.2	-0.1	-0.8
Park and venues income	-3.4	-4.1	-5.4	-7.0
Planning authority income	-0.3	-0.9	-0.4	-0.4
Other income	0.0	0.0	-0.2	-0.2
<b>Total income</b>	<b>-3.7</b>	<b>-5.2</b>	<b>-6.1</b>	<b>-8.4</b>
<b>Net expenditure</b>	<b>41.8</b>	<b>41.1</b>	<b>33.7</b>	<b>22.9</b>
Use of reserves	-4.4	-3.7	4.5	-4.9
<b>Net expenditure after use of reserves</b>	<b>37.4</b>	<b>37.4</b>	<b>38.2</b>	<b>18.0</b>
GLA Funding	37.4	37.4	38.2	18.0
<b>Council tax requirement</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Section 7 – London Legacy Development Corporation

LLDC Subjective analysis	Revised Budget 2013-14 £m	Forecast 2013-14 £m	Budget 2014-15 £m	Plan 2015-16 £m
Employee expenses	8.7	9.3	8.8	8.1
Premises costs	0.8	0.8	0.8	1.1
Supplies and services	36.0	36.2	30.2	22.1
<b>Total revenue expenditure</b>	<b>45.5</b>	<b>46.3</b>	<b>39.8</b>	<b>31.3</b>
Income	-3.7	-5.2	-6.1	-8.4
<b>Net revenue expenditure</b>	<b>41.8</b>	<b>41.1</b>	<b>33.7</b>	<b>22.9</b>
Use of reserves	-4.4	-3.7	4.5	-4.9
<b>Net expenditure after use of reserves</b>	<b>37.4</b>	<b>37.4</b>	<b>38.2</b>	<b>18.0</b>
GLA Funding	37.4	37.4	38.2	18.0
<b>Council Tax Requirement</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Explanation of budget changes

- 7.7 Most changes to the Legacy Corporation's budget reflect the changing scope of the organisation's work during its start-up period. An analysis of the year on year movement in the council tax requirement is set out below.

Changes in the LLDC's council tax requirement	£m
<b>2013-14 council tax requirement</b>	<b>0.0</b>
<i>Changes due to:</i>	
Inflation	0.1
Savings	-17.3
Efficiencies	0.0
New initiatives and service improvements	9.1
Change in use of reserves	8.5
Net Change in Government grants	-0.4
<b>2014-15 council tax requirement</b>	<b>0.0</b>

### Inflation

- 7.8 The Budget proposes that external contracts include negotiated provisions for inflation. Staff costs have been increased to reflect public sector pay guidelines.

## Section 7 – London Legacy Development Corporation

### Savings and efficiencies

- 7.9 The Budget proposes that savings and increases in income of £17.3 million and £11.6 million in 2014-15 and 2015-16 respectively are made.

<b>LLDC Savings</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>
Park Opening and Operations	11.1	5.0
Real Estate, Regeneration, and Design	4.2	1.1
Planning Authority	0.3	0.4
Corporate and Finance	1.2	1.3
Irrecoverable VAT and contingency	0.5	3.8
<b>Total savings</b>	<b>17.3</b>	<b>11.6</b>

### New initiatives and service improvements

- 7.10 The Budget proposes that the areas where the Legacy Corporation's expenditure will grow include new initiatives and projects moving from partial to full implementation, and areas where income is projected to fall, as follows:

- increase in park operations, marketing and security costs, to reflect the opening of larger areas of the Park from spring 2014;
- increase in sports participation budgets;
- increased budget for staff training, and in corporate health and safety budgets; and
- updated income forecasts.

These new initiative are summarised in the table below.

<b>LLDC New Initiatives</b>	<b>2014-15</b>	<b>2015-16</b>
Park Opening and Operations	4.3	0.2
Real Estate and Regeneration	0.6	0.1
Planning Authority	0.0	0.1
Corporate	1.6	0.4
Irrecoverable VAT and contingency	0.1	0.0
Income changes	2.5	0.1
<b>Total new initiatives</b>	<b>9.1</b>	<b>0.9</b>

### Change in use of reserves

- 7.11 In 2013-14, the Legacy Corporation anticipated drawing down £5.5 million but the Budget is now proposing that this is reduced to £4.0 million. During 2014-15, the last year for which the Legacy Corporation receives funding from the Spending Review 2010 settlement, the Budget proposes that the Corporation should seek to make savings and to contribute £4.5 million to reserves to support spending and minimise additional funding requirements from 2015-16.

## Section 7 – London Legacy Development Corporation

### Changes in Government grants

- 7.12 The LLDC will receive its revenue grant funding via GLA – in line with the sums allocated by the Mayor from grants made available through the London Settlement. The total revenue grant made available by the Mayor has increased by £0.4 million to £38.2 million reflecting the growth in the scope of Legacy Corporation’s programmes.

### Other adjustments

- 7.13 The Budget proposes that there are other minor adjustments to the budget relating to miscellaneous items totalling £0.4 million.

### Equalities

- 7.14 Equalities and Inclusion initiatives include:
- a built environment access panel to advise on design, planning and development issues;
  - the second year of an annual Festival of Disability Sport; and
  - the recruitment of Paralympic Legacy Ambassadors to promote disabled sports participation.

### Environmental impact

- 7.15 The Legacy Corporation’s policy is that the Park will use the best of the Games’ infrastructure, innovation and inspiration, to provide a pioneering model of urban regeneration promoting sustainable lifestyles through sustainable infrastructure.
- 7.16 The Park was conceived as an environmental showcase and will continue to strive for environmental excellence. The Corporation has set a wide range of environmental performance measures and will publish an annual sustainability report.

### Reserves

- 7.17 At 31 March 2014 LLDC’s general reserves balance is expected to total at least £4.4 million. This balance is forecast to rise to £8.9 million by 31 March 2015 and decrease to £4.0 million by the end of 2015-16. The Mayor is not expecting LLDC to hold any earmarked revenue reserves. The expected movements in reserves over the planning period are set out in the table below.

<b>Movement in reserves During Financial Year</b>	<b>Outturn 2012-13 £m</b>	<b>Forecast 2013-14 £m</b>	<b>Budget 2014-15 £m</b>	<b>Plan 2015-16 £m</b>
<b>Opening balances</b>	<b>12.2</b>	<b>8.1</b>	<b>4.4</b>	<b>8.9</b>
Transfers to/from:				
Earmarked reserves	0.0	0.0	0.0	0.0
General reserves	-4.1	-3.7	4.5	-4.9
<b>Closing balances</b>	<b>8.1</b>	<b>4.4</b>	<b>8.9</b>	<b>4.0</b>



## Section 7 – London Legacy Development Corporation

---

7.18 The expected total reserves at the end of each financial year are summarised below:

<b>Total LLDC reserves at end of financial year</b>	<b>Outturn 2012-13</b>	<b>Forecast 2013-14</b>	<b>Budget 2014-15</b>	<b>Plan 2015-16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Earmarked reserves	0.0	0.0	0.0	0.0
General reserves	8.1	4.4	8.9	4.0
<b>Total</b>	<b>8.1</b>	<b>4.4</b>	<b>8.9</b>	<b>4.0</b>

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

---

### **Introduction**

- 8.1 This section sets out the medium term funding outlook for the GLA Group in respect of Government grant, retained business rates and council tax taking into account the impact of the announcements in the 2013 Spending Review published on 26 June, the Autumn Statement on 5 December and the final Local Government Finance and Police Settlements published on 5 February 2014.
- 8.2 It also explains the underlying assumptions supporting the retained business rates forecasts and the impact of the new local government finance system introduced from April 2013 on the Mayor's budget assumptions. This is intended to highlight the degree of uncertainty which exists in respect of future years funding given the Government's commitment to focus on deficit reduction and the potential volatility in both council tax and business rates income.

### **2014-15 Final Local Government Finance Settlement**

- 8.3 The final 2014-15 local government finance settlement was published on 5 February 2014 and the 2014-15 Local Government Finance Report confirming the allocations was approved by Parliament on 13 February. This set out the allocations of revenue support grant for English local and fire authorities.
- 8.4 From 2013-14 LFEPA and the GLA are receiving their core general funding through revenue support grant and business rates retention. In 2013-14 a baseline funding allocation was set with 60 per cent of this sum being allocated through revenue support grant and the remaining 40 per cent through retained business rates. This baseline comprised former GLA general and fire formula grant funding, council tax support grant and the 2011-12 council tax freeze grant. The Revenue Support Grant element is revised annually by central government to deliver the planned funding reductions for local government whereas the business rates retention element varies in line with the sums collected in non domestic rates in each local authority area.
- 8.5 The GLA Group's revenue support grant for 2014-15 as set out in the final settlement is £193.7 million which is £17.8 million lower in cash terms than the corresponding figure for 2013-14 of £211.5 million. However this figure includes the GLA's £9.4 million 2013-14 council tax freeze grant which is being baselined into Revenue Support Grant from 2014-15 and therefore the like for like reduction in grant is £27.1 million or 12.9 per cent. The allocations are in line with the indicative figures announced at the date of the 2013-14 settlement with the exception of an additional 1.73 per cent reduction resulting from the revised control totals announced by the Chancellor of the Exchequer in his March 2013 Budget – equivalent to a 1 per cent additional cut for local government once retained business rates funding is taken into account.
- 8.6 The apportionment of the GLA's revenue support grant by the Mayor takes into account the changes made to the baseline funding components with the estimated former GLA general grant element being allocated in full to the Mayor and Assembly components and the notional fire formula grant element being paid to LFEPA.

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

- 8.7 The 2011-12 council tax freeze grant component is allocated on the same basis as in 2013-14 except that the GLA will now receive the £9.4 million previously distributed to MOPAC offset by a matching adjustment to the respective council tax requirements. The non police council tax support grant is again apportioned between GLA and LFEPA broadly in proportion to relative precept shares. The 2013-14 council tax freeze grant now paid through revenue support grant is retained by the GLA to support group budget risks and pressures. The £1.3 million additional element relating to the release of previously withheld capitalisation funding will be transferred into the Mayor's Resilience Reserve.
- 8.8 The indicative Revenue Support Grant allocation for 2015-16 is £164.7 million which is £28.9 million or 15 per cent lower than in 2014-15. Of this £36.4 million is now being allocated provisionally to the GLA and £128.3 million to LFEPA as set out in Section 9. The Mayor intends maintaining the 2014-15 precept transfer to LFEPA and reallocating revenue support grant funding from the GLA to protect LFEPA from the effect of the additional grant cuts expected in 2015-16 compared to 2014-15. In order to deliver this £12.4 million of revenue support grant has been reallocated from the GLA Mayoral component budget to LFEPA in 2015-16 compared to the consultation budget – comprising £8.7 million of former council tax support grant and £3.7 million of 2011-12 council tax freeze grant. The Government has indicated that it intends to roll the 2014-15 council tax freeze grant into revenue support grant from 2015-16 but at this stage this funding stream has been treated as a specific grant payable to the GLA in both years within the budget.
- 8.9 The LLDC is funded from GLA resources – however for planning purposes it is assumed that the above changes in the GLA's funding will not affect materially its resource allocation from the Mayor in the current spending review period.

### **Council tax freeze grants for 2014-15 and 2015-16**

- 8.10 The proposed GLA budget includes forecast income of £9.4 million in respect of the 2014-15 council tax freeze grant. This is payable to all authorities that reduce or freeze their council tax in 2014-15 and represents the sum equivalent to what would have been generated through a 1 per cent increase allowing for the year on year movement in the council taxbase – the same basis as the 2013-14 grant which has now been baselined in revenue support grant. This reward grant is paid for at least two years (2014-15 and 2015-16) and will be baselined within revenue support grant in the second year. This reflects the methodology confirmed by the government in a letter to all English local authorities on 15 January.
- 8.11 Authorities which reduce or freeze their council tax in 2015-16 will also be eligible for a further freeze grant for that financial year. This is also estimated to be worth £9.4 million to the GLA as the methodology outlined by the Government is identical to that for the 2014-15 grant. At this stage the estimated 2015-16 freeze grant is not reflected in the budget numbers for that financial year pending confirmation by the Mayor of his precept proposals for 2015-16.

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

---

### **Home Office Police Grant Settlement and Impact on the Mayor’s Office for Policing and Crime**

- 8.12 On 18 December 2013 the Minister of State for Policing, Criminal Justice and Victims confirmed the general grant allocations for 2014-15 for Police and Crime Commissioners in England, for the Mayor’s Office for Policing and Crime and the City of London Police. This included the police formula grant and general police grant allocations along with council tax support funding for local policing bodies. The final police grant settlement was published on 5 February 2014. There were no material changes between the provisional and final settlements – albeit the numbers presented in the Mayor’s budget are approximately £16,500 lower for general grant income and £24,100 lower for specific grant income because the final police grant report confirmed the allocations to the nearest pound rather than to the nearest £0.1 million.
- 8.13 The Minister confirmed that the additional 1 per cent cut to the Home Office budget for 2014-15 announced in the Chancellor’s Autumn Statement would not be passed on to front line policing.
- 8.14 The 2014-15 policing settlement has been topsliced to provide £50 million nationally for the Police Innovation Fund. This fund will provide MOPAC and Police and Crime Commissioners with the opportunity to submit bids on initiatives that will promote collaboration in order to deliver sustainable improvements and efficiencies in the way their police force operates in future. In addition, £18 million has been topsliced to build up the resource and capability of the Independent Police Complaints Commission.
- 8.15 Every police force area will see the same percentage reduction in core central Government funding in 2014-15 – which averages 3.3 percent on a like for like basis. MOPAC has been allocated £1,101.1 million in general police grant and £782.9 million in police formula grant in 2014-15 – the former being funded from general taxation and the latter from centrally retained business rates.
- 8.16 The Home Office also confirmed that MOPAC would receive £119.7 million in council tax support grant for local policing bodies – an increase of £0.4 million compared to 2013-14. This grant will be paid in full to MOPAC although the GLA will continue to manage the risks and potential downsides arising from the impact of council tax benefit localisation centrally to ensure that there is no adverse impact on the policing budget.
- 8.17 Decisions on the impact of the Chancellor’s Autumn Statement on police funding for 2015-16 will be made at a later date after careful consideration of all Home Office budgets. Pending this decision the Home Office has decided not to publish indicative police funding allocations for 2015-16 at this time. The assumed grant totals set out in this consultation budget are, however, in line with the headline reductions set out in the 2013 Spending Review for police services.

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

---

### **Transport for London Funding Settlement with Department for Transport**

- 8.18 TfL is the only functional body which was awarded a four year settlement through to 2014-15 at the time of the Comprehensive Spending Review announcement in October 2010. However this has been revised subsequently.
- 8.19 The 2013-14 local government finance settlement also confirmed £802.8 million of former Department for Transport funding (£758.5 of former GLA transport grant and £44.3 million in respect of bus operators support grant) would be funded via rates retention and therefore TfL would see an offsetting reduction in the GLA Transport Grant on a like for like basis.
- 8.20 The Department for Transport confirmed TfL's general (operating) grant for 2014-15 and 2015-16 following the 2013 Spending Review alongside a longer term commitment to 2020-21 in respect of the investment grant element of its funding. This budget assumes that £835 million of general (operating) GLA Transport grant will be received for the purposes of TfL in 2014-15 in addition to its rates retention funding along with £34.5 million of other specific grants. In 2015-16 the general element is expected to be reduced to £629 million and specific grant income is forecast to be £29.2 million.
- 8.21 These figures exclude the investment grant element of the GLA Transport grant (£928 million in 2014-15 and £925 million in 2015-16) which is applied for capital purposes and is reflected in TfL's capital spending plan. TfL also receives other capital grants for specific purposes.

### **Current information on funding allocations announced for 2014-15 and 2015-16 financial years**

- 8.22 The table on the following page summarises the latest position on the status of the grant settlement information for the next two years across the GLA Group – and also indicates the uncertainty moving forward for 2015-16. It confirms the primary components and sources of each functional body's funding from Central Government and what information has been issued to date.

### **Financial Outlook and Impact of 2013 Spending Review and Autumn Statement 2013 on Future Funding**

- 8.23 In the 2013 Spending Review the Chancellor announced that planned government revenue spending will fall by 2 per cent in real terms in 2015-16. Within the current policy framework the Local Government Association and London Councils have estimated that this has translated into a 10 per cent real terms cut for local government services after allowing for the protection provided for the NHS, schools, defence and international development. The reduction for police services is expected to be around half the figure for local government. TfL's settlement is negotiated separately with the Department for Transport.

## Section 8 – Government Grant Council Tax and Retained Rates Forecasts

### Information on Government funding settlements for the GLA and each Functional Body for 2014-15 to 2015-16

Functional Body	Sources of Core Central Government Funding	2014-15	2015-16
<b>GLA</b>	GLA general grant (DCLG) and other funding paid via Revenue Support Grant (RSG)	Yes	Indicative
	GLA Housing capital funding	Yes	Yes
<b>MOPAC</b>	Home Office Police grant	Yes	No
	Home Office Specific grants (including counter-terrorism funding)	Partial	No
	Council tax support	Yes	No
	Formula grant (DCLG)	Yes	No
<b>LFEPA</b>	Fire formula grant and other funding paid via Revenue Support Grant and fire revenue grant (DCLG)	Yes	Indicative
<b>TfL</b>	Transport grant (DfT)	Yes	Yes
	Other specific grants	Yes	Indicative
<b>LLDC</b>	Via GLA General grant	Yes	Indicative
<b>Non police Council tax support grant and 2011-12 council tax freeze grant</b>	Paid via Revenue Support Grant and rates retention from 2013-14	Yes	Indicative
<b>Council tax freeze grant for 2014-15 and 2015-16 (subject to taxbase uplift)</b>	CLG specific grant	Yes	Yes
<b>Council tax freeze grant for 2013-14</b>	CLG specific grant	Yes (rolled into RSG)	Part of RSG

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

---

- 8.24 In 2016-17 and 2017-18, planned government revenue spending is expected to fall by a further 4.4 per cent and 4.1 per cent respectively – considerably greater than the 2.0 per cent in 2015-16. If the current protection for the NHS, schools, defence and international development spending continues, it is highly likely that local government, fire services and transport can expect significantly larger reductions in the years to come.
- 8.25 The Government has made it very clear that reductions in government expenditure are likely to continue for some time and that once the deficit is eliminated it intends to operate a budget surplus in order to repay accumulated debt. The implications of any further austerity will need to be considered in more detail in future year's budgets as and when further information becomes available.
- 8.26 In view of the uncertainty around the funding settlements for 2016-17 onwards it would therefore be premature to set out precise budget funding estimates beyond 2015-16 at this stage. These will be set by the incoming Government following the general election expected in May 2015.

### **Funding Assumptions for Retained Business Rates**

- 8.27 In April 2013, the Government changed the way in which local government is funded through the introduction of the business rates retention scheme. The GLA Group's start up funding in rates retention was £943.5 million. This included £802.8 million of former Department for Transport funding, £96.8 million of former fire formula grant, £18.3 million of GLA general grant, £16.3 million of council tax support grant and £9.3 million of council tax freeze grant payable in respect of 2011-12 budgets.
- 8.28 The objective of this new regime is that local authorities should be able to retain a significant proportion of the increase in their business rates revenue to incentivise and reward them for delivering economic growth in their area. Under the arrangements local authorities keep half of any increases in revenue to invest in local services. However, this retention only applies to physical growth – for example arising from new developments and regeneration programmes – which leads to a real terms increase in the business rates base. Changes in business rates income at each five yearly revaluation, due to relative movements in rental values, will not be retained locally. This reflects the fact that revaluations are revenue neutral at the national level in real terms as no additional revenue is generated due to an offsetting adjustment made to the National Non Domestic Rating (NNDR) multiplier (or taxrate).
- 8.29 The Government, however, continues to have responsibility for setting the non domestic rating multiplier (i.e. the tax rate) and determining rating reliefs for certain categories of ratepayer such as small businesses or charities. Following the Localism Act 2012, however, local billing authorities can also offer business rates reliefs to private sector companies subject to state aid limits.

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

---

- 8.30 In London the GLA receives 20 per cent of rates income collected in the capital under the new system - 40 per cent of the locally retained share - and therefore benefits from 20 per cent of any real terms growth or bears the corresponding share of any downside. The GLA's baseline funding at the start of the rates retention system was £343.3 million lower than the CLG estimated 20 per cent share of rates income in London averaged over the 2010-11 and 2011-12 financial years. It is therefore obliged to pay this excess sum as a tariff payment to CLG – this payment increases each year in line with uplift to the non domestic rating multiplier which will be no higher than RPI at the previous September. In 2014-15 the tariff payment will be £349 million in line with the 1.95 per cent uplift in the multiplier.
- 8.31 As a 'tariff authority' the GLA is required to pay 27 per cent of any real terms growth in its 20 per cent share of business rates income as a levy to CLG. The levy ensures that for each 1 per cent growth in business rates income no authority will see an increase of more than 1 per cent in retained funding albeit that the levy rate can be no higher than 50 percent. Levy payments – should they apply – are only payable to the Government following the financial year end once the final business rates outturn data is available.
- 8.32 Business rates revenues can of course go down as well as up. This can arise because of a number of factors including the closure of a major employer, the demolition or refurbishment of a major development or because of refunds – potentially backdated several years – payable to rate payers arising from corrections to the rating list valuation for their property or due to changes in national rating policy.
- 8.33 In order to protect authorities against this volatility the Government has put in place a safety net or floor on the maximum reduction an authority will bear locally year on year. Under this safety net no authority will be permitted to see its baseline funding level drop by more than 7.5 per cent in real terms (equivalent to £72 million for the GLA in 2014-15). This protection will be provided through a safety net payment.
- 8.34 The GLA receives its business rates income directly from the 33 London billing authorities and is therefore dependent on their forecasts and collection rates for the retained rates income it receives. The accounting and reporting arrangements therefore operate on a similar basis to council tax – with a budgeted forecast being used to determine in year instalments with any variations in the forecast outturn (whether a surplus or deficit) being adjusted for in the following year's instalments. A reconciliation is undertaken as part of the final accounts process with any variation in the actual outturn compared to the forecasts again adjusted for in the following year's instalments in line with the established accounting practice used for council tax. It is also the outturn data that will be used to determine the level of any safety net or levy payment due.



## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

---

- 8.35 In his 2013-14 budget the Mayor allocated an estimated £943.5 million of retained business rates between TfL, GLA and LFEPA in line with the start up funding position. Based on the provisional forecasts received from London billing authorities in January 2013 the forecast sum collectable for 2013-14 was £909 million – around £34.5 million lower than the baseline before taking into account an estimated £10.2 million of section 31 grants payable to compensate the GLA for the shortfall in revenues arising from the small business double rate relief scheme.
- 8.36 This shortfall primarily reflected the effect of provisions made by London billing authorities for future and backdated refunds relating to business rates appeals which reduced the estimated sum collectable in the 2013-14 NNDR1 returns for the GLA by around £120 million – the £34.5 million difference arising from the fact that this net provision was higher than the 8 per cent average CLG had assumed nationally in setting the baselines for the first year of the new system. Authorities can opt to spread the backdated appeals element relating to refunds for financial periods prior to 2013-14 over 5 years in accounting terms and therefore do not have to bear the full impact of the resulting shortfalls in a single year in budgeting terms.
- 8.37 The sums receivable in respect of business rates for 2014-15 will be affected by the Chancellor’s announcement in the 2013 Autumn Statement that he intended to cap the increase in the non domestic rating multiplier to 2 per cent in 2014-15 rather than applying the September 2013 RPI standard reference figure of 3.2 per cent.
- 8.38 The Government has committed itself to funding the shortfall in revenue to local authorities arising from this change and the other reliefs (e.g. for retailers) announced in the Statement. The expected section 31 grant payment for 2013-14 in relation to small business double rate relief only is £10.2 million with an additional estimated £45.2 million provided for in the 2014-15. These section 31 grant figures are indicative based on the respective NNDR1 forecasts available to the GLA at the date the budget was approved and the final allocation will be dependent on outturn data.
- 8.39 The section 31 grant estimates used in the approved budget reflect the information which was available to the GLA at the date it was approved based on the Non Domestic Rating Return (NNDR1) 1 forms it had received. Subsequently several billing authorities either provided final returns or amended those they had previously submitted – resulting in the expected section 31 forecast income being £2.6 million lower.
- 8.40 The Government has confirmed that local authorities will be reimbursed for the reduction in business rates revenue from the 2 per cent cap and the other reliefs through compensating section 31 grants based on actual costs.

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

---

- 8.41 At present there are nearly 50,000 outstanding rating appeals in London – equivalent to around 18 per cent of business properties in the capital. In some central London boroughs the number of outstanding appeals is equivalent to one third of all business premises. If the Chancellor’s commitment is delivered this will ensure that the GLA is able to have greater certainty over its funding for 2016-17 onwards as this will reduce the estimated appeals provisions billing authorities will need to make in their business rates calculations.
- 8.42 Billing authorities were required to submit their business rates forecasts for 2014-15 by 31 January 2014. Returns were provided by 30 billing authorities and estimates based on figures provided in January 2013, uprated by 3.2 per cent, were used for the remaining 3. Based on these estimates the approved budget incorporated the following assumptions:
- the GLA’s share of the net estimated collection fund deficit in respect of 2013-14 is £17.3 million - which increases the estimated shortfall for that year to £41.5 million;
  - rates income expected to be paid by billing authorities to the GLA, excluding the 2013-14 collection fund surplus, is £1,312.2 million – this includes the impact of appeals in respect of 2014-15 rates payable and estimated income of £30 million from the 3 authorities had not submitted forecasts at the date the budget was approved;
  - there will be a levy payment of £8.8 million for the GLA to pay to CLG in respect of business rates payable in 2014-15;
  - forecast section 31 grant income for the GLA in respect of 2014-15 rates payable will be £45 million – including a £2 million estimate for the 3 authorities who had not submitted forecasts at the date the budget was set. This is reflected in the assumed business rates totals in this budget.
- 8.43 Taking into account the degree of volatility in billing authority forecasts and the ongoing significant risks inherent in the retained business rates system of funding the Mayor has decided to budget on the basis that the GLA, LFEPa and TfL will receive a 3.2 per cent increase on their retained rates baseline funding in line with September 2013 RPI for services. The indicative 2015-16 rates retention allocations assume a 3 per cent uplift in revenues in line with current RPI forecasts for 2014 although this does not prejudice any decisions the Government may take on the uprating of the non domestic rating multiplier for that year.
- 8.44 The rates retention figures used in the budget reflect the information which was available to the GLA at the date it was approved based on the Non Domestic Rating Return (NNDR1) 1 forms it had received. Subsequently several billing authorities either provided final returns or amended those they had previously submitted.

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

- 8.45 Taking into account these changes the final net collection fund deficit was £16.9 million (£0.44m lower than forecast) and forecast business rates income (including section 31 grants) was £4.1 million lower than forecast – including £2.6 million in respect of an incorrect section 31 grant estimate. This results in an adverse variance compared to the approved budget assumptions of £3.7 million - £4.1 million lower income in respect of 2014-15 offset by a £0.4 million lower collection fund deficit. The forecast levy payment – which has no net impact as any change is exactly offset by change in income – would be £7.7 million (i.e. £1.1 million lower than forecast).
- 8.46 The GLA will manage the ongoing risks associated with rates retention funding including the variance between the assumed figures in the approved budget compared to the final NNDR1 returns submitted through the use of the Mayor's Resilience Reserve and, subject to final outturn figures provided by billing authorities for 2013-14, the flexibility to manage the one off cost of backdated rating appeals by spreading these over a five year period. Any shortfalls arising from appeals refunds – or estimates thereof – could be offset against real terms growth in future years. It is therefore considered that the proposed rates retention allocations set out in this budget provide a reasonable assessment of the potential revenues available to the GLA Group from this source.

### **Council tax risks associated with the localisation of council tax support**

- 8.47 In addition to the business rates reforms introduced in April 2013 decision making on the award of council tax benefit was localised. These policies are set in London by the 32 London boroughs and the Corporation of London. The Government also granted local authorities the ability to revise exemption and discount policies for second and empty homes.
- 8.48 Under the new system eligible pensioner households continue to receive council tax benefit as at present but local billing authorities are free to introduce their own schemes for working age claimants below pension credit age. This change was accompanied by an average 10 per cent reduction in Government support for council tax benefit – equivalent to a shortfall of around £90 million in London compared to previous subsidy levels. Boroughs were also granted new powers to generate extra revenues for themselves (and the GLA on a pro rata basis based on council tax shares) from reducing or removing discounts & exemptions for second and empty homes and applying a premium to long term empty properties. This allowed authorities to offset the impact of the reduction in council tax benefit funding depending on local circumstances.
- 8.49 In order to compensate for the loss of council tax benefit subsidy local billing authorities (e.g. London boroughs) and their preceptors (e.g. the GLA) now receive a council tax support grant from CLG. The GLA's total council tax support grant for 2013-14 was £160.4 million – comprising £119.3million for police services (paid as a separate specific grant for MOPAC) and £41.1 million (paid through rates retention and revenue support grant) for non police services. The allocation of this had the effect of reducing the Mayor's council tax requirement from £935.1million in 2012-13 to £766.8 million in 2013-14 (after allowing for the 1.2 percent precept reduction). From 2014-15 the policing element of council tax support grant is still paid as a grant to MOPAC with the non police element being paid via revenue support grant.

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

---

- 8.50 Of the 33 London billing authorities seven decided in 2013-14 to protect working age claimants and continue to provide full council tax support on the same basis as previously – they have indicated that they will continue this policy in 2014-15. The remaining 26 introduced schemes which require some or all working age claimants to pay a greater share of their council tax liability than was previously the case. It is estimated that over 400,000 households in London who received 100 per cent council tax benefit in 2012-13 have been required to pay a proportion of their council tax bill in 2013-14.
- 8.51 Precepting authorities share the risk that billing authorities either absorb the estimated reduction in funding as a loss of income or, if they decide to pass the reduction onto claimants, then the impact of reduced collection rates. Therefore, the new council tax support system could lead to losses of income for precepting authorities – and increased risk and uncertainty in respect of precept income – due to the requirement to collect relatively small sums from households on low incomes.
- 8.52 There is no definitive evidence to suggest at this stage that the introduction of council tax benefit localisation has had a material impact on overall collection rates in London in 2013-14. In many boroughs additional and offsetting revenues have been generated from the technical reforms affecting empty and second homes which has mitigated the effect. However the GLA will continue to monitor this issue on an ongoing basis with billing authorities.
- 8.53 Each London billing authority was required to determine its proposed council tax support scheme for 2014-15 by 31 January – and reflect the discounts in its council tax base which will be used for tax setting by it and the GLA. They were also required to provide an estimated collection fund surplus or deficit outturn calculation for 2013-14 taking into account expected collection rates.
- 8.54 The Mayor’s final budget incorporates a collection fund surplus forecast in respect of council tax for 2013-14 of £15.14 million based on the sum of the figures supplied by the 33 London billing authorities. In addition the council tax base has increased by 2.3 per cent in 2014-15 reflecting the impact of additional properties being added to the valuation list and, in some cases, lower council tax support caseloads than had been forecast at the start of the year. This has generated an additional net £18.4 million of revenues compared to the assumptions set out in the draft budget of which £3 million has been allocated to LFEPA, £2m million to MOPAC and £12 million for GLA services with the balance transferred to the Mayor’s resilience reserve to manage future funding risks for LFEPA and in respect of rates retention.

### **Conclusion**

- 8.55 The new financial regime introduced in April has had a profound impact on the GLA’s budget when set alongside the challenges arising from delivering the Government’s austerity programme across the Group. It creates both opportunities and risks with the business rates retention scheme in particular representing an important step towards delivering greater financial devolution for the capital.

## **Section 8 – Government Grant Council Tax and Retained Rates Forecasts**

- 8.56 Due to the fact that there remain concerns about the potential volatility and accuracy of the council tax and business rates taxbase estimates which billing authorities will be able to provide, the GLA has set up a Mayor’s Resilience Reserve to help manage these risks.
- 8.57 The assumed impact of the new system on each member of the GLA Group in terms of their forecast funding allocations is reflected in the financial tables included in Section 9 of this document.

## Section 9: Statutory and Component Budget Information

### Introduction

9.1 The net tables below summarise how the net expenditure (financing requirement) and council tax requirement is calculated for the GLA and each functional body in 2014-15.

	Gross expenditure	Fares and traffic income	Other general income	Net expenditure before use of reserves	Use of Reserves	Net expenditure after use of reserves
	£m	£m	£m	£m	£m	
<b>Mayor's Office for Policing and Crime</b>	<b>3,253.0</b>	<b>0.0</b>	<b>-272.6</b>	<b>2,980.4</b>	<b>-57.1</b>	<b>2,923.3</b>
GLA Mayor	755.1	0	-485.3	269.8	-59.3	210.5
GLA Assembly	7.6	0.0	-0.4	7.2	0.0	7.2
LFEPA	431.6	0.0	-30.7	400.8	2.2	403.0
TfL	6,549.8	-4,323.5	-699.7	1,526.6	177.3	1,704.0
LLDC	39.8	0.0	-44.3	-4.5	4.5	0.0
<b>Total Other Services</b>	<b>7,783.9</b>	<b>-4,323.5</b>	<b>-1,260.4</b>	<b>2,199.9</b>	<b>124.7</b>	<b>2,324.7</b>
<b>Total GLA Group</b>	<b>11,036.9</b>	<b>-4,323.5</b>	<b>-1,533.0</b>	<b>5,180.3</b>	<b>67.6</b>	<b>5,248.0</b>

### Council Tax Requirement and Band D Council Tax

	Net expenditure after use of reserves	Specific Government Grants	General Government Grants	Retained Business Rates	Council Tax Requirement	Band D Amount
	£m	£m	£m	£m	£m	£
<b>Mayor's Office for Policing and Crime</b>	<b>2,923.3</b>	<b>475.1</b>	<b>1,884.0</b>	<b>0.0</b>	<b>564.2</b>	<b>214.52</b>
GLA Mayor	210.5	27.4	52.3	57.0	73.8	28.02
GLA Assembly	7.2	0.0	2.6	2.1	2.5	0.95
LFEPA	403.0	13.9	138.8	112.2	138.2	52.42
TfL	1,704.0	869.5	0.0	828.5	6.0	2.27
LLDC	0.0	0.0	0.0	0.0	0.0	0.00
Council tax Net Collection fund (surplus)/deficit	0.0	0.0	0.0	0.0	-15.1	-5.74
NNDR Collection fund (surplus)/deficit	0.0	0.0	0.0	0.0	17.3	6.56
<b>Total other services</b>	<b>2,324.7</b>	<b>910.7</b>	<b>193.7</b>	<b>999.7</b>	<b>222.7</b>	<b>84.48</b>
<b>Total GLA Group</b>	<b>5,248.0</b>	<b>1,385.7</b>	<b>2,077.6</b>	<b>999.7</b>	<b>786.9</b>	<b>299.00</b>

Note This includes the retained business rates income allocated to the resilience reserve

## Section 9: Statutory and Component Budget Information

### Net revenue expenditure

9.2 The net revenue expenditure (or financing requirement) shown in the tables above - after allowing for the impact of variances in the collection of council taxes by London billing authorities - represents the sum of:

- revenue grants from the Government. These include general government grants (the Home Office police grant, police formula grant and revenue support grant) and specific grants (including the revenue element of the GLA transport grant and Home Office police funding for counter-terrorism);
- retained business rates; and
- each body's share of the Council Tax precept.

9.3 The forecast net revenue expenditure for the GLA and each functional body is set out in the table below for 2013-14, 2014-15 and 2015-16.

<b>Net revenue expenditure (financing requirement)</b>	<b>Revised Budget 2013-14 £m</b>	<b>Budget 2014-15 £m</b>	<b>Plan 2015-16 £m</b>
GLA Mayor	177.2	210.5	155.0
GLA Assembly	7.4	7.2	7.2
MOPAC	3,035.5	2,923.3	2,860.7
LFEPAC	413.7	403.0	395.9
TfL	1,948.2	1,704.0	1,517.5
LLDC	0.0	0.0	0.0
Net revenue expenditure before application of collection fund surpluses/deficits	5,582.0	5,248.0	4,936.3
Collection fund (surplus)/deficit retained rates	N/A	17.3	0.0
Collection fund (surplus)/deficit council tax	-10.4	-15.1	0.0
<b>Net revenue expenditure</b>	<b>5,571.6</b>	<b>5,250.2</b>	<b>4,936.3</b>

### Government grants, Rates Retention and Support from Mayor's Resilience Reserve

9.4 The tables overleaf summarise the funding allocations from government grants, rates retention and the Mayor's resilience reserve which the GLA and each functional body have been allocated by the Mayor for 2014-15 and 2015-16. These are subject to change to reflect the final local government, fire and police settlements to be approved by Parliament and the returns submitted by boroughs forecasting their business rates income for 2013-14 and 2014-15. Government grant figures shown are therefore provisional for 2014-15 and purely indicative for 2015-16 at this stage.

## Section 9: Statutory and Component Budget Information

9.5 The most significant government grants included are:

- The general element of the GLA transport grant paid to TfL under section 101 of the GLA Act;
- Home Office police specific grant funding for counter-terrorism, designated security posts and other funding for MOPAC relating to the MPS's national responsibilities;
- Home Office police general grant (comprising general police grant and principal police formula grant financed by general taxation and the Government's centrally retained business rates income respectively; and
- Revenue support grant – which comprises that element of the funding received prior to 2013-14 through the former GLA general grant, LFEPA formula grant, the 2011-12 council tax freeze grant and the new council tax support grant which was not included in the GLA's rates retention funding baseline.

### Allocation of Government Grants and Rates Retention Support 2014-15 to Support Services

	GLA Transport Grant £m	Other Specific revenue grants £m	Home Office Police grant £m	Home Office Formula grant £m	Revenue Support Grant £m	Rates retention £m	Total £m
<b>MOPAC</b>	<b>0.0</b>	<b>475.1</b>	<b>1,101.1</b>	<b>782.9</b>	<b>0.0</b>	<b>0.0</b>	<b>2,359.1</b>
GLA Mayor	0.0	27.4	0.0	0.0	52.3	31.0	110.6
GLA Assembly	0.0	0.0	0.0	0.0	2.6	2.1	4.7
LFEPA	0.0	13.9	0.0	0.0	138.8	112.2	264.9
TfL	835.0	34.5	0.0	0.0	0.0	828.5	1,698.0
LLDC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Other Services</b>	<b>835.0</b>	<b>75.8</b>	<b>0.0</b>	<b>0.0</b>	<b>193.7</b>	<b>973.7</b>	<b>2,078.2</b>
<b>Total GLA Group</b>	<b>835.0</b>	<b>550.9</b>	<b>1,101.1</b>	<b>782.9</b>	<b>193.7</b>	<b>973.7</b>	<b>4,437.3</b>



## Section 9: Statutory and Component Budget Information

### Summary of Government Grants and Rates Retention Support 2015-16 (Indicative)

	GLA Transport Grant £m	Other Specific revenue grants £m	Home Office Police grant £m	Home Office Formula grant £m	Revenue Support Grant £m	Rates retention £m	Total £m
<b>MOPAC</b>	<b>0.0</b>	<b>474.7</b>	<b>1,058.2</b>	<b>763.5</b>	<b>0.0</b>	<b>0.0</b>	<b>2,296.5</b>
GLA Mayor	0.0	13.3	0.0	0.0	33.8	31.9	79.0
GLA Assembly	0.0	0.0	0.0	0.0	2.6	2.1	4.7
LFEPa	0.0	13.9	0.0	0.0	128.3	115.5	257.7
TfL	629.0	29.2	0.0	0.0	0.0	853.3	1,511.5
LLDC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Other Services</b>	<b>629.0</b>	<b>56.4</b>	<b>0.0</b>	<b>0.0</b>	<b>164.7</b>	<b>1,002.9</b>	<b>1,852.9</b>
<b>Total GLA Group</b>	<b>629.0</b>	<b>531.1</b>	<b>1,058.2</b>	<b>763.5</b>	<b>164.7</b>	<b>1,002.9</b>	<b>4,149.4</b>

#### Rates Retention Funding

- 9.6 The tables below set out the allocation of rates retention funding allocations for 2013-14 to 2015-16 for spending on services within the GLA group, the forecast tariff payments, the provision for any levy payments which may be required to be paid, the forecast collection fund deficits/surpluses in respect of retained rates and illustrative figures for the section 31 grants expected to be received to fund the shortfall in revenues arising from the rates relief schemes for 2013-14 and 2014-15 and NNDR multiplier caps for 2014-15 confirmed by the Government.
- 9.7 These figures reflect the impact of the 2014-15 National Non Domestic Rating 1 (NNDR1) returns from the 33 London billing authorities submitted in January 2014 which were available to the GLA at the date the budget was approved by the Mayor. Subsequently revised returns were submitted by a number of authorities which had the net effect of reducing the NNDR revenue by around £4.1 million in 2014-15 (including £2.6 million in section 31 grants). This was offset by a £0.4 million reduction in the collection fund deficit – resulting in a total net shortfall against the approved budget of £3.7 million. The final NNDR1 forecasts remain estimates and the change in expected revenues is not considered sufficiently material to require an change to the approved budgeted allocations of retained rates income to the GLA, TfL and LFEPa. Any variances compared to the approved budget figures will be managed through the Mayor’s Resilience Reserve.

## Section 9: Statutory and Component Budget Information

### Allocation of Rates Retention Funding in 2013-14 (for comparative purposes)

	GLA Mayor	GLA Assembly	GLA	TfL	LFEPA	Total
	£m	£m	£m	£m	£m	£m
Former GLA Transport grant	0.0	0.0	0.0	758.5	0.0	758.5
Former GLA General grant	16.3	2.0	18.3	0.0	0.0	18.3
Former LFEPA formula grant	0.0	0.0	0.0	0.0	96.8	96.8
Council tax support grant	7.0	0.0	7.0	0.0	9.3	16.3
Bus operators support grant	0.0	0.0	0.0	44.3	0.0	44.3
2011-12 council tax freeze grant	6.5	0.0	6.5	0.0	2.8	9.3
Collection fund surplus/deficit	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total allocated to GLA and functional bodies</b>	<b>29.8</b>	<b>2.0</b>	<b>31.8</b>	<b>802.8</b>	<b>108.9</b>	<b>943.5</b>
Tariff payment to CLG						342.3
Provisional shortfall required to be financed from Mayor's resilience reserve to fund estimated shortfall in year						-34.4
Estimated section 31 grant income transferred to resilience reserve						10.2
Levy payment on growth						0.0
<b>Total assumed rates retention revenues from billing authorities and section 31 grant payments from CLG in 2013-14</b>						<b>1,261.6</b>

## Section 9: Statutory and Component Budget Information

### Allocation of Rates Retention Funding in 2014-15

	GLA Mayor	GLA Assembly	GLA	TfL	LFEPA	Total
	£m	£m	£m	£m	£m	£m
Baseline funding <sup>1</sup>	31.0	2.1	33.0	828.5	112.2	973.7
<b>Total funding allocated to GLA and functional bodies <sup>1</sup></b>	31.0	2.1	33.0	828.5	112.2	973.7
Tariff payment to CLG						349.0
Forecast Levy payment on growth to CLG						8.8
Provisional surplus allocated to Mayor's resilience reserve to manage rates retention risk and 2013-14 shortfall						26.0
<b>Total assumed rates retention revenues in respect of 2014-15</b>						1,357.5
2013-14 Collection fund deficit forecast						-17.3
<b>Total assumed rates retention revenues received in 2014-15 (cash)</b>						1,340.2
Financed by:						
Estimated section 31 grants						45.2
Business rates payable by billing authorities						1,295.0
<b>Total business rates income and related section 31 grant</b>						1,340.2

Note 1 Allocations based on 3.2% uplift in revenues and tariff payments compared to 2013-14 baseline allocations in line with September 2013 RPI of which 2% will be funded by rates collected from ratepayers by billing authorities (i.e. the uplift in the actual non domestic rating multiplier for 2014-15) with the balance of 1.2% funded by central government grant. All other reliefs announced in the Autumn Statement (see Appendix H) are assumed to be fully funded by government.

### Indicative Allocation of Rates Retention Funding in 2015-16

	GLA Mayor	GLA Assembly	GLA	TfL	LFEPA	Total
	£m	£m	£m	£m	£m	£m
Baseline funding <sup>1</sup>	31.9	2.1	34.0	853.3	115.5	1,002.9
Collection fund surplus/deficit	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total funding allocated to GLA and functional bodies <sup>1</sup></b>	31.9	2.1	34.0	853.3	115.5	1,002.9
Tariff payment to CLG <sup>1</sup>						359.5
Levy payment on growth						0.0
<b>Total assumed rates retention revenues allocated</b>						1,362.4

Note 1. Assumes 3% uplift in the Non Domestic Rating multiplier for 2015-16 based on current inflation forecasts. This does not prejudice any subsequent decision which may be taken by HM Treasury to apply a lower uplift to the NNDR multiplier payable by ratepayers.

## Section 9: Statutory and Component Budget Information

9.8 The above allocations are indicative as the actual sums allocated will be dependent on the actual business rates revenues generated in London although the amount paid to LFEPA will be no lower than the figures stated. The allocations for 2014-15 have been reviewed to take into account the forecast of business rates revenues submitted by the 33 London billing authorities in January 2014 and taking this into account the allocations to the GLA, LFEPA and TfL for services are unchanged from the figures set out in the draft budget – albeit that the shortfall in 2013-14 and the surplus revenues in 2014-15 relative to the funding allocations will be managed through the Mayor’s resilience reserve held within the GLA.

### Revenue Support Grant

9.9 The tables below illustrate the Mayor’s allocation of revenue support grant in 2013-14 alongside the planned allocations for 2014-15 and the indicative amounts for 2015-16.

#### Allocation of Revenue Support Grant in 2013-14 (for comparative purposes)

Component within RSG	GLA Mayor	GLA Assembly	GLA Total	TfL	LFEPA	MOPAC	LLDC	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Former GLA General grant	24.6	2.8	27.4	0.0	0.0	0.0	0.0	27.4
Former LFEPA formula grant	0.0	0.0	0.0	0.0	145.3	0.0	0.0	145.3
Non police Council tax support grant	10.7	0.0	10.7	0.0	14.0	0.0	0.0	24.7
2011-12 council tax freeze grant	0.4	0.0	0.4	0.0	4.2	9.4	0.0	14.1
<b>Total</b>	<b>35.8</b>	<b>2.8</b>	<b>38.6</b>	<b>0.0</b>	<b>163.5</b>	<b>9.4</b>	<b>0.0</b>	<b>211.5</b>

#### Final Allocation of Revenue Support Grant in 2014-15

Component within RSG	GLA Mayor	GLA Assembly	GLA Total	TfL	LFEPA	MOPAC	LLDC	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Former GLA General grant	20.8	2.6	23.4	0.0	0	0.0	0.0	23.4
Former LFEPA formula grant	0.0	0.0	0.0	0.0	121.7	0.0	0.0	121.7
Non police Council tax support grant	11.3	0.0	11.3	0.0	12.9	0.0	0.0	24.2
2011-12 council tax freeze grant *	9.5	0.0	9.5	0.0	4.2	0.0	0.0	13.7
2013-14 council tax freeze grant	9.4	0.0	9.4	0.0	0.0	0.0	0.0	9.4
Release of 2013-14 top sliced funding	1.3	0.0	1.3	0.0	0.0	0.0	0.0	1.3
<b>Total</b>	<b>52.3</b>	<b>2.6</b>	<b>54.9</b>	<b>0.0</b>	<b>138.8</b>	<b>0.0</b>	<b>0.0</b>	<b>193.7</b>

\*GLA uplift offset by corresponding reduction in its council tax requirement and increase in MOPAC requirement

## Section 9: Statutory and Component Budget Information

### Indicative Allocation of Revenue Support Grant in 2015-16

Component within RSG	GLA Mayor £m	GLA Assembly £m	GLA Total £m	TfL £m	LFEPA £m	MOPAC £m	LLDC £m	Total £m
Former GLA General grant	19.0	2.6	21.6	0.0	0.0	0.0	0.0	21.6
Former LFEPA formula grant	0.0	0.0	0.0	0.0	100.4	0.0	0.0	100.4
Non police Council tax support grant	0.0	0.0	0.0	0.0	20.0	0.0	0.0	20.0
2011-12 council tax freeze grant	5.4	0.0	5.4	0.0	7.9	0.0	0.0	13.3
2013-14 council tax freeze grant	9.4	0.0	9.4	0.0	0.0	0.0	0.0	9.4
<b>Total</b>	<b>33.8</b>	<b>2.6</b>	<b>36.4</b>	<b>0.0</b>	<b>128.3</b>	<b>0.0</b>	<b>0.0</b>	<b>164.7</b>

#### Council tax calculations

- 9.10 The difference between net revenue expenditure and the sum of grant funding from the Government and through retained business rates represents the amount to be raised from Council Taxpayers. This sum is recovered by issuing precepts on the City of London and the 32 London boroughs (i.e. the council tax requirement) which are the statutory billing authorities for council tax, national non domestic rates and the Crossrail Business Rate Supplement in the capital.
- 9.11 There are two sets of Council Tax calculations because the Metropolitan Police District does not include the City of London which has its own police force. The unadjusted basic amount of council tax excludes the element for the Metropolitan Police District and equates to the precept payable by taxpayers in the City of London (i.e. the area of the Common Council). The adjusted basic amount of council tax includes the element for the Metropolitan Police District and equates to the precept payable by taxpayers in the 32 London boroughs.
- 9.12 Although the statutory arrangements only require a distinction to be made between police and other services, a summary of spending, funding and the resultant Council Tax attributable to each body is provided in the tables at the beginning of this Appendix. Details of the Council Tax Requirement for police services and other services are set out below.

## Section 9: Statutory and Component Budget Information

### Council tax requirement for police services

9.13 The estimated amount to be raised for police services is as follows:

Council Tax for police services	2013-14	2014-15	2015-16
	£m	£m	£m
Net financing requirement	3,035.5	2,923.3	2,860.7
Government grants and Retained Business Rates	-2,478.4	-2,359.1	-2,296.5
<b>Amount for police services</b>	<b>557.1</b>	<b>564.2</b>	<b>564.2</b>

9.14 This is equivalent to a band D Council Tax of **£214.52** for police services 2014-15 in the 32 London boroughs (£216.92 in 2013-14).

### Council tax requirement for other services

9.15 The estimated amount to be raised for other services is as follows:

Council Tax for other services	2013-14	2014-15	2015-16
	£m	£m	£m
GLA, LFEPA, LLDC and TfL net expenditure	2,536.1	2,322.5	2,075.6
Government grants and Retained Business Rates	-2,304.1	-2,102.0	-1,852.9
Share of borough net collection fund surplus/deficit	-10.4	2.2	0.0
<b>Amount for other services</b>	<b>221.6</b>	<b>222.7</b>	<b>222.7</b>

9.16 This is equivalent to a band D Council Tax of **£84.48** for 2014-15 in the City of London and the 32 London boroughs for non police services (£86.08 in 2013-14).

### Summary of proposed adjusted and unadjusted Council Tax by Band

9.17 The adjusted basic amount of council tax is therefore £299.00 for a Band D property (i.e. £214.52 for the Metropolitan Police plus £84.48 for non police services) – this applies to taxpayers in the 32 London boroughs.

### Adjusted Amount of Council Tax payable by taxpayers in the 32 London boroughs (£)

Band	2014-15	2013-14	Annual decrease
Band A	£199.33	£202.00	-£2.67
Band B	£232.56	£235.67	-£3.11
Band C	£265.78	£269.34	-£3.56
<b>Band D</b>	<b>£299.00</b>	<b>£303.00</b>	<b>-£4.00</b>
Band E	£365.44	£370.34	-£4.90
Band F	£431.89	£437.67	-£5.78
Band G	£498.33	£505.00	-£6.67
Band H	£598.00	£606.00	-£8.00

## Section 9: Statutory and Component Budget Information

- 9.18 The proposed unadjusted basic amount of council tax is £84.48 – this applies to council taxpayers in the City of London.

### Unadjusted Amount of Council Tax payable by taxpayers in the area of the Common Council of the City of London (£)

Band	2014-15	2013-14	Annual change
Band A	£56.32	£57.39	-£1.07
Band B	£65.71	£66.95	-£1.24
Band C	£75.09	£76.52	-£1.43
<b>Band D</b>	<b>£84.48</b>	<b>£86.08</b>	<b>-£1.60</b>
Band E	£103.25	£105.21	-£1.96
Band F	£122.03	£124.34	-£2.31
Band G	£140.80	£143.47	-£2.67
Band H	£168.96	£172.16	-£3.20

### Council Tax referendums

- 9.19 The Government published the council tax referendum thresholds and the associated secondary legislation alongside the final local government finance settlement on 5th February 2014.
- 9.20 The adjusted and unadjusted amounts of council tax are both lower than the GLA's estimate of the council tax referendum thresholds that will apply for 2014-15 (i.e. £309.06 – a 2 per cent increase on the adjusted amount for 2013-14 of £303.00 and £86.08 – the actual unadjusted amount for 2013-14). The proposed adjusted council tax figure is £4.00 lower than the referendum threshold and the unadjusted council tax figure is £1.60 lower than the referendum threshold. The council tax levels approved by the Mayor do not trigger a council tax referendum therefore in either the 32 London boroughs or the area of the Common Council of the City of London based on the referendum thresholds formally approved by Parliament.

### Statutory Calculations

- 9.21 The following tables set out the statutory calculations for the component and consolidated budgets of the GLA Group in line with the provisions of sections 85 to 88 of the GLA Act 1999 as amended.

## Section 9: Statutory and Component Budget Information

### Final component and consolidated council tax requirements 2014-15

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

Line	Sum	Description
1	£750,300,304	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
2	£4,800,000	estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act
3	£0	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act reflecting the estimated levy payment payable to the Secretary of State in respect of business rates retention
4	£17,283,155	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the GLA Act reflecting the provisional collection fund deficit for retained business rates in respect of 2013-14
5	<b>£772,383,459</b>	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	-£485,300,000	estimate of the Mayor's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
7	-£27,400,000	estimate of the Mayor's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
8	-£52,289,006	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	-£56,908,183	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	-£15,142,039	estimate of the Mayor's share of the net collection fund surplus for the 33 London billing authorities for council tax calculated in accordance with s85(5)(a) of the GLA Act
11	<b>-£637,039,228</b>	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	-£59,322,465	estimate of Mayor's reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the GLA Act
13	<b>-£696,361,693</b>	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	<b>£76,021,766</b>	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 component council tax requirement for the Mayor for 2014-15 is £76,021,766



## Section 9: Statutory and Component Budget Information

### Greater London Authority: London Assembly (“Assembly”) final component budget

Line	Sum	Description
15	£7,600,000	estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the GLA Act
16	£0	estimated allowance for contingencies for the Assembly under s85(4)(b) of the GLA Act
17	£0	estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the GLA Act
18	£0	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the GLA Act
19	<b>£7,600,000</b>	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Assembly (lines (15) + (16) + (17) + (18) above)
20	-£400,000	estimate of the Assembly’s income <u>not</u> in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
21	£0	estimate of the Assembly’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
22	-£2,571,000	estimate of the Assembly’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
23	-£2,129,000	estimate of the Assembly’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
24	£0	estimate of the Assembly’s share of the net collection fund surplus (-ve) or deficit (+ve) for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
25	<b>-£5,100,000</b>	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 (15) and (16) above under s85(5)(b) of the GLA Act
27	<b>-£5,100,000</b>	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	<b>£2,500,000</b>	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 component council tax requirement for the Assembly for 2014-15 is £2,500,000.

## Section 9: Statutory and Component Budget Information

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

Line	Sum	Description
29	£3,253,000,000	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	<b>£3,253,000,000</b>	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	-£272,641,075	estimate of the MOPAC's income <u>not</u> in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
35	-£475,075,912	estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£1,883,983,536	estimate of the MOPAC's income in respect of general government grants (revenue support grant, core Home Office police grant and principal police formula grant) calculated in accordance with s85(5)(a) of the GLA Act
37	£0	estimate of the MOPAC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
38	£0	estimate of MOPAC's share of the net collection fund surplus (-ve) or deficit (+ve) for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
39	<b>-£2,631,700,523</b>	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	-£57,133,123	estimate of MOPAC's reserves to be used in meeting amounts in lines (29) and (30) above under s85(5)(b) of the GLA Act
41	<b>-£2,688,833,646</b>	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	<b>£564,166,354</b>	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 component council tax requirement for the MOPAC for 2014-15 is £564,166,354.

## Section 9: Statutory and Component Budget Information

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

Line	Sum	Description
43	£431,575,000	estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the GLA Act
44	£0	estimated allowance for contingencies for LFEPA under s85(4)(b) of the GLA Act
45	£2,200,000	estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the GLA Act
46	£0	estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the GLA Act
47	<b>£433,775,000</b>	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFEPA (lines (43) + (44) + (45) + (46) above)
48	-£30,700,000	estimate of LFEPA's income <u>not</u> in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
49	-£13,900,000	estimate of LFEPA's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
50	-£138,838,000	estimate of LFEPA's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
51	-£112,162,000	estimate of LFEPA's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
52	£0	estimate of LFEPA's share of the net collection fund surplus (-ve) or deficit (+ve) for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
53	<b>-£295,600,000</b>	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (48) + (49) + (50) + (51) + (52))
54	-£0	estimate of LFEPA's reserves to be used in meeting amounts in lines (43) and (44) above under s85(5)(b) of the GLA Act
55	<b>-£295,600,000</b>	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFEPA (lines (53) + (54) above)
56	<b>£138,175,000</b>	the component council tax requirement for LFEPA (being the amount by which the aggregate at (47) above exceeds the aggregate at (55) above calculated in accordance with section 85(6) of the GLA Act)

The final component council tax requirement for LFEPA for 2014-15 is £138,175,000.

## Section 9: Statutory and Component Budget Information

### Transport for London ("TfL") final component budget

Line	Sum	Description
57	£6,549,863,800	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	£177,300,000	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the GLA Act
60	£0	estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act
61	<b>£6,727,163,800</b>	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the TfL (lines (57) + (58) + (59) + (60) above)
62	-£5,023,200,000	estimate of TfL's income <u>not</u> in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
63	-£869,500,000	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) calculated in accordance with s85(5)(a) of the GLA Act
65	-£828,463,800	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 the net collection fund surplus (-ve) or deficit (+ve) for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
67	<b>-£6,721,163,800</b>	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 lines (57) and (58) above under s85(5) (b) of the GLA Act
69	<b>-£6,721,163,800</b>	aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68))
70	<b>£6,000,000</b>	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 component council tax requirement for TfL for 2014-15 is £6,000,000.

## Section 9: Statutory and Component Budget Information

### London Legacy Development Company ("LLDC") final component budget

Line	Sum	Description
71	£39,800,000	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	£4,500,000	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	<b>£44,300,000</b>	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	-£44,300,000	estimate of LLDC's income <u>not</u> in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
77	£0	estimate of LLDC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
78	£0	estimate of LLDC's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
79	£0	estimate of LLDC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
80	£0	estimate of LLDC's share of the net collection fund surplus (-ve) or deficit (+ve) for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
81	<b>-£44,300,000</b>	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 lines (71) and (72) above under s85(5)(b) of the GLA Act
83	<b>-£44,300,000</b>	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (81) + (82) above)
84	<b>£0</b>	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 component council tax requirement for the LLDC for 2014-15 is £0.

## **Section 9: Statutory and Component Budget Information**

The Greater London Authority ("GLA") final consolidated council tax requirement calculation incorporating the component council tax requirements for the Greater London Authority (Mayor), Greater London Authority (Assembly), the Mayor's Office for Policing and Crime (MOPAC), the London Fire and Emergency Planning Authority, Transport for London and the London Legacy Development Corporation.

<b>Line</b>	<b>Sum</b>	<b>Description</b>
85	<b>£786,863,120</b>	the GLA's consolidated council tax requirement (the sum of the amounts in lines (14) + (28) + (42) + (56) +(70) +(84) calculated in accordance with section 85(8) of the GLA Act)

The final consolidated council tax requirement for the GLA for 2014-15 is **£786,863,120**.

## Section 9: Statutory and Component Budget Information

### Aggregate GLA Group budget for 2014-15

#### Estimated Expenditure

£	GLA Mayor	GLA Assembly	MOPAC	LFEPa	TfL	LLDC	Total
Estimated expenditure	£750,300,304	£7,600,000	£3,253,000,000	£431,575,000	£6,549,863,800	£39,800,000	£11,032,139,104
Estimated allowance for contingencies	£4,800,000	£0	£0	£0	£0	£0	£4,800,000
Estimated reserves to be raised for meeting future expenditure	£0	£0	£0	£2,200,000	£177,300,000	£4,500,000	£184,000,000
Estimate of reserves to meet a revenue account deficit	£17,283,155	£0	£0	£0	£0	£0	£17,283,155
<b>Estimated total expenditure</b>	<b>£772,383,459</b>	<b>£7,600,000</b>	<b>£3,253,000,000</b>	<b>£433,775,000</b>	<b>£6,727,163,800</b>	<b>£44,300,000</b>	<b>£11,238,222,259</b>

## Section 9: Statutory and Component Budget Information

### Estimated Income and Calculation of Council Tax Requirement

£	GLA Mayor	GLA Assembly	MOPAC	LFEPa	TfL	LLDC	Total
Estimate of non government grant income	-£485,300,000	-£400,000	-£272,641,075	-£30,700,000	-£5,023,200,000	-£44,300,000	-£5,856,541,075
Estimate of specific government grant income	-£27,400,000	£0	-£475,075,912	-£13,900,000	-£869,500,000	£0	-£1,385,875,912
Estimate of general government grant income	-£52,289,006	-£2,571,000	-£1,883,983,536	-£138,838,000	£0	£0	-£2,077,681,542
Estimate of Retained Business Rates income	-£56,908,183	-£2,129,000	£0	-£112,162,000	-£828,463,800	£0	-£999,662,983
Collection fund surplus for council tax	-£15,142,039	£0	£0	£0	£0	£0	-£15,142,039
<b>Estimated total income before use of reserves</b>	<b>-£637,039,228</b>	<b>-£5,100,000</b>	<b>-£2,631,700,523</b>	<b>-£295,600,000</b>	<b>-£6,721,163,800</b>	<b>-£44,300,000</b>	<b>-£10,334,903,551</b>
Estimate of reserves to be used	-£59,322,465	£0	-£57,133,123	£0	£0	£0	-£116,455,588
<b>Estimated total income after use of reserves</b>	<b>-£696,361,693</b>	<b>-£5,100,000</b>	<b>-£2,688,833,646</b>	<b>-£295,600,000</b>	<b>-£6,721,163,800</b>	<b>-£44,300,000</b>	<b>-£10,451,359,139</b>
<b>Council tax requirement</b>	<b>£76,021,766</b>	<b>£2,500,000</b>	<b>£564,166,354</b>	<b>£138,175,000</b>	<b>£6,000,000</b>	<b>£0</b>	<b>£786,863,120</b>
<b>COUNCIL TAXBASE</b>	<b>2,636,088.61</b>	<b>2,636,088.61</b>	<b>2,629,900.96</b>	<b>2,636,088.61</b>	<b>2,636,088.61</b>	<b>2,636,088.61</b>	
<b>BAND D COUNCIL TAX</b>	<b>£28.84</b>	<b>£0.95</b>	<b>£214.52</b>	<b>£52.42</b>	<b>£2.27</b>	<b>£0.00</b>	<b>£299.00</b>



