

The Greater London Authority's Consolidated Budget and Component Budgets for 2008-09



MAYOR OF LONDON

**The Greater London Authority's Consolidated Budget
and Component Budgets for 2008-09**

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Explanation of 2008-09 budgets

Introduction and overview.....	1
Metropolitan Police Authority.....	4
London Fire and Emergency Planning Authority.....	8
Greater London Authority: Mayor of London.....	12
Transport for London.....	18
Greater London Authority: London Assembly.....	29
London Development Agency.....	32
Council tax information.....	39

Statutory component and consolidated budgets 2008-09

Metropolitan Police Authority.....	43
London Fire and Emergency Planning Authority.....	44
Greater London Authority: Mayor of London.....	45
Transport for London.....	46
Greater London Authority: London Assembly.....	47
London Development Agency.....	48
Consolidated budget.....	49
Summary.....	50

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Section 1 – Introduction and overview

Consolidated Budget Requirement

- 1.1 The consolidated budget requirement for the GLA and the four functional bodies for 2008-09 is £3,148.6m.

Component budget requirements	Approved 2007-08 £m	Approved 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Metropolitan Police Authority	2,532.7	2,595.0	2,653.4	2,713.1
London Fire and Emergency Planning Authority	391.5	405.1	425.3	444.7
Mayor of London ¹	117.0	127.8	131.2	133.6
London Assembly	8.6	8.7	8.9	9.2
Transport for London	12.0	12.0	12.0	12.0
London Development Agency	-	-	-	-
Consolidated budget requirement	3,061.8	3,148.6	3,230.8	3,312.6

- 1.2 As a result of changes introduced by the GLA Act 2007, for the purpose of budget setting the **Mayor of London** and **London Assembly** are now treated as separate constituent bodies. In previous years' there was a single budget for the GLA. The budget for the Assembly comprises estimates for direct expenditure and income, and 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.
- 1.3 The GLA Group is subject to the local government finance regime. The planned spending of the GLA and the functional bodies after deducting any funding from reserves and expected income (other than general funding from the Government and the council tax) is known as their **budget requirement**. These requirements are consolidated to form the consolidated budget requirement for the GLA.
- 1.4 Further information on the budget proposals for each constituent body within the GLA Group is presented in organisational terms in **Sections 2 to 7** of this document. They are also presented in the order of the amount that council tax payers contribute to their services.
- 1.5 The complexities of a budget of over £11 billion gross (£3 billion net) and the very diverse nature of the functions of the individual component bodies, make it complicated to present information that meets the needs of all audiences. This document is therefore a summarised version of the overall financial estimates.

¹ Separate component budget requirements for the Mayor and the Assembly take effect from 2008-09, equivalent figures for 2007-08 are shown.

Section 1 – Introduction and overview

- 1.6 To realise the Mayor's vision of London as an exemplary sustainable world city, sustainable development has been placed at the heart of the Mayor's budget process, with the Mayor's 2008-09 budget providing for the following major areas of spending:
- Continuing to develop police Safer Neighbourhood Teams and deliver the Estates Strategy to support them to provide effective front-line policing, public reassurance and public confidence and direct resources to reduce serious violence and to protect young people.
 - Enhancing counter-terrorism capability and capacity.
 - An unchanged contribution to the funding package agreed with Government towards delivering a successful 2012 Olympic and Paralympic Games and maximising the economic, social, health and environmental benefits of the Games to London and Londoners.
 - Mayor's Youth Offer to provide more activities and services for young Londoners by providing across all London boroughs more places to go and things to do, developmental and diversionary support and an Innovations and Development Fund to improve the quality of, and access to, services.
 - Delivering the Mayor's Climate Change Action Plan through measures to reduce carbon dioxide and other emissions, and non-renewable energy consumption, and measures to minimise waste and increase recycling, minimise water consumption and promote water efficiency.
 - Measures towards reducing excess journey times by 13 per cent by 2020 and increasing transport capacity by 25 per cent, with improvements to include:
 - New trains on the Victoria line from late 2009;
 - All District line trains refurbished by 2009;
 - The construction of 55 new DLR railcars, due to enter service from 2008;
 - Opening of the Woolwich Arsenal DLR extension;
 - Improving London Overground services, including enhanced frequency, improved service and security and, as from late 2008-09, new trains.
 - Improving the accessibility of services including:
 - continuing the expansion of stations which are step-free from platform to street level;
 - providing visual displays and audio announcements on all buses;
 - introducing free travel on the Dial-A-Ride service from January 2008.
 - Improving Londoners' Health by introducing the London-wide Low Emission Zone and continuing to deliver the road safety programme to reduce the number of people killed or seriously injured.
 - Maintaining current levels of emergency cover and continuing to deliver and maintain the dramatic increase in capacity to improve resilience to respond to the new risks facing London.

Section 1 – Introduction and overview

- Delivering the Mayor’s housing strategy, in particular working with partners to deliver the programme of 50,000 more affordable homes over the period 2008-11.

1.7 An explanation of the individual budget requirements for each member of the GLA group is provided in **sections 2 to 7** of this paper.

Amount to be raised from council tax payers

1.8 The **council tax** applicable to the GLA Group is set at a level that recovers the difference between the budget requirements of the five organisations and the funding received from the Government. Allowing for anticipated government grants, the consolidated budget requires **£908m** (2007-08: £882m) to be raised from the council tax payer. This and other sources of finance are summarised below:

	£m	Per cent
Spending plans	11,346	100
Less:		
Fares, charges and other income	-3,901	-34
Specific government grants	-3,661	-32
Government grants and redistributed business rates	-2,235	-20
Reserves (TfL)	-613	-5
Reserves (other)	-22	-1
Surplus in council tax collection fund	-6	-
Amount to be met by council tax payers	908	8

1.9 To raise this additional **£26m** from council taxpayers requires a band D council tax of **£310** for the London boroughs and **£83** in the City of London, after taking into account the 0.9 per cent increase in the Greater London council tax base for 2008-09. This is an increase of **11p** a week (2.0 per cent).

1.10 **Section 8** provides a more detailed analysis of the extent to which government grants fund the budget requirements and the amount of council tax to be raised.

Section 2 – Metropolitan Police Authority

- 2.1 The mission of the Metropolitan Police Service and Metropolitan Police Authority is to work together for a safer London to ensure that communities are engaged with, confident in and satisfied with the police service, security is improved and the public feel reassured, crime, disorder, vulnerability and harm are prevented and reduced and offenders are brought to justice.
- 2.2 Key recent achievements are:
- A reduction in overall crime of 13.4 per cent in the first three years of the current Public Service Agreement and in line to exceed the target of a 19.4 per cent reduction from a 2003-04 baseline by March 2008;
 - The MPS has been judged as one of the top performing forces in the country in neighbourhood policing and addressing serious crime, according to the findings of a national performance assessment;
 - The MPS was judged good or excellent in four of the seven categories of the Home Office annual Police Performance Assessment Framework and the results mark a second successive year of improvement;
 - The MPS was one of only six forces considered excellent in the neighbourhood policing category following the introduction of Safer Neighbourhoods Teams in all 624 wards, with extra coverage in 87 wards having a population of more than 14,000;
 - In addition, 21 Safer Transport teams have been established to focus on crime and anti-social behaviour on, and close to, public transport, along with six Safer Neighbourhoods teams focussing on particular community issues.

Key Deliverables

- 2.3 The budget for the Metropolitan Police Authority is dependent on containing additional costs of security operations, but has been framed to provide sufficient resources to:
- Continue to develop the Safer Neighbourhood Teams and deliver the Estates Strategy Plan to provide effective front-line policing, public reassurance and public confidence;
 - Enhance counter-terrorism capability and capacity;
 - Make services more accessible and improve people's experience of their contact with the police service, especially victims and witnesses;
 - Reduce the incidence of homicide, grievous bodily harm, weapon-enabled serious violence and domestic violence homicide;
 - Improve the reporting of serious sexual offences, the criminal justice outcomes for rape and increase the domestic violence arrest rate for offences;
 - Improve the quality of police responses to serious violence through identifying and managing risk with partners;

Section 2 – Metropolitan Police Authority

- Improve police engagement with those communities linked to priority criminal networks/gangs and increase the confidence of victims and witnesses in the handling of these cases;
- Increase the number of criminal networks/gangs disrupted and reduce the harm they cause in communities especially those relating to drugs and firearms;
- Support the London Criminal Justice Board to increase the proportion of the public that have confidence in the criminal justice system;
- Increase the proportion of offences that are brought to justice, particularly the proportion of serious offences;
- Work with partners to reduce road casualties;
- Undertake planning and preparation for the 2012 Olympic and Paralympic Games and other major events and prepare for and respond to major incidents;
- Increase community trust and confidence in the police use of stop and search ensuring it is used fairly and proportionately;
- Reduce carbon emissions in line with the Climate Change Action Plan and Clinton Foundation Projects as well as offsetting MPS's air travel emissions;
- Work to reduce MPS's environmental impact, including continued use and trial of alternative vehicles.

Budget requirement

- 2.4 The Police Authority's gross expenditure is estimated to be £3,510.8m. After deducting fees, charges, specific grants, other income and use of reserves, the budget requirement for 2008-09 is **£2,595.0m**. This is £62.3m higher than that for 2007-08.

Explanation of budget changes

- 2.5 The key changes in income and expenditure areas between years and that projected for the following two years for each of the main service areas are set out in the table overleaf. The changes in 2008-09 relative to 2007-08 can be summarised as follows:

Changes in the Police Authority's spending plans	2008-09 £m
2007-08 budget requirement	2,532.7
<i>Changes due to:</i>	
Inflation	76.5
Net growth in existing services and programmes	23.2
New initiatives and service improvements	137.6
Savings and efficiencies	-71.8
Increase in specific grants	-107.2
Changes in use of reserves	4.0
2008-09 Budget requirement	2,595.0

Section 2 – Metropolitan Police Authority

Service analysis	Budget	Forecast	Budget	Plan	Plan
	2007-08	2007-08	2008-09	2009-10	2010-11
	£m	£m	£m	£m	£m
Territorial Policing	1,346.2	1,334.0	1,329.3	1,341.4	1,335.3
Specialist Crime Directorate	368.9	380.1	378.5	381.8	381.8
Specialist Operations	179.5	203.2	237.9	235.3	233.5
Central Operations	260.7	260.5	296.9	336.4	363.6
Operational Services	165.5	163.4	161.8	157.6	158.2
Strategy, Modernisation & Performance Directorate	14.9	14.3	13.7	13.4	13.4
Directorate of Public Affairs	6.1	6.1	6.1	6.1	6.1
Directorate of Information	211.1	218.8	212.9	215.5	222.9
Resources Directorate	227.9	241.6	237.2	247.6	254.5
Human Resources Directorate	151.1	151.4	157.8	146.4	143.9
Pensions	29.2	29.2	29.2	29.2	29.2
Centrally held budgets ¹	60.4	32.4	124.5	201.8	280.6
MPA	11.5	11.1	12.6	12.5	12.5
Savings to be agreed	-	-	-	-40.5	-64.1
Net service expenditure	3,033.0	3,046.1	3,198.4	3,284.5	3,371.4
Capital financing costs	21.5	21.0	21.6	21.6	21.6
Interest receipts	-11.4	-11.4	-11.4	-11.4	-11.4
Specific grants	-506.4	-538.0	-613.6	-641.3	-668.5
Net revenue expenditure	2,536.7	2,517.7	2,595.0	2,653.4	2,713.1
Transfers to/from reserves	-4.0	15.0	-	-	-
Budget requirement	2,532.7	2,532.7	2,595.0	2,653.4	2,713.1

Note 1: This line includes budgets that the MPA will not attribute to business groups until later in its budget setting process. It includes, for example, inflation, pay awards and other such budget changes.

Inflation

- 2.6 Inflation is budgeted to add £76.5m to MPA costs in 2008-09. This is due to pay awards for uniformed officers and police staff (£59.6m, including overtime) and provision for general price inflation on non-staff budgets (£16.9m - £7.5m of which has then been eliminated through savings and efficiencies).

Committed change

- 2.7 The full year effect of 2007-08 budget decisions and those items of expenditure which are unavoidable or to which the Authority has committed adds £23.2m to the MPA's budget for 2008-09.

Section 2 – Metropolitan Police Authority

Increases in service levels and new initiatives

- 2.8 New initiatives add £137.6m to expenditure in 2008-09. The most significant initiatives are the further rollout of Integrated Borough Operations (at a cost of £4.5m in 2008-09 and a further £14m in 2009-10) and a proposed two-year deal for Borough Partnerships (at a cost of £3.9m). In addition, the revenue costs of counter-terrorism and designated security posts (£59.2m) and preparations for the 2012 Olympic and Paralympic Games (£40.1m in 2008-09, rising to £95m by 2010-11) are expected to be funded by specific grants.

Savings and efficiencies

- 2.9 The budget includes cashable savings and efficiencies totalling £71.8m in 2008-09. The Home Office have set a target of £309.8m to be achieved in the period 2008-09 to 2010-11. This represents 9.3 per cent of forecast Gross Revenue Expenditure in 2007-08. Current forecast savings for 2008-09 are on target to meet the 3-year savings.

Reserves

- 2.10 The planned use of reserves is shown in the table below. The MPA's policy is to maintain general revenue reserves of at least 2 per cent of net budgeted expenditure. These estimates include a general reserve and emergency contingency fund of 2.4 per cent of net budgeted expenditure. There are no budgeted movements to or from the general reserve in 2008-09.

MPA reserves	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Opening balances	134.2	134.2	149.2	149.2	149.2
Transfers to/ from:					
Earmarked reserves	-4.0	15.0	-	-	-
General reserves	-	-	-	-	-
Closing balances	130.2	149.2	149.2	149.2	149.2

Section 3 – London Fire and Emergency Planning Authority

- 3.1 The London Fire and Emergency Planning Authority is responsible for fire and rescue services in London and it supports the London boroughs in their emergency planning role. LFEPA has achieved significant fire reduction improvements through the “prevention is better than cure” strategy.
- 3.2 Highlights of recent performance include reductions in the total number of fires and serious fires, fire deaths and injuries, a substantial increase in community safety activity and a continued fall in the number of hoax calls. Significant progress was made against the five year targets set out in the first performance plan (2000 to 2005) and good progress continues against the current performance plan which has headline targets running from April 2005 to March 2010.

Key Deliverables

- 3.3 The budget for LFEPA in 2008-09 has been developed to build on these achievements and to support the aim of making London a safer city. In addition to this the budget will support LFEPA in promoting sustainable development and in maximising the impact the Fire Authority can have on reducing pollution and harmful emissions. The budget will provide resources to support longer-term key service targets for the next three years to 2010-11 to:
- Reduce accidental fires in people’s homes by five per cent (equating to 5,882 in 2008-09).
 - Reduce the number of accidental fire-related deaths in the home by 20 per cent (equating to 28 in 2008-09).
 - Reduce deliberate fires by ten per cent (equating to 15,589 in 2008-09).
 - Reduce hoax calls by five per cent (equating to 3,025 in 2008-09).
 - Maintain the current time it will take on average for the first fire engine to arrive at an incident, while reviewing how that might be improved (target average response time of 6 minutes).
 - Improve the time that it takes a second fire engine to attend incidents across London (target average response time of 8 minutes).
- 3.4 In addition to this the budget provides resources to:
- Maintain current levels of emergency cover and progress plans for a new fire station in Havering.
 - Continue to deliver and maintain the dramatic increase in capacity to improve resilience to the new risks facing London.
 - Deliver a number of major projects including a new regional control centre, new radio scheme, new personal protective clothing and respiratory protective equipment for firefighters and a PFI programme to replace 10 fire stations.
 - Continue the programme of home fire safety visits with partners (target of 40,250 in 2008-09 by own staff).

Section 3 – London Fire and Emergency Planning Authority

- Continue to reduce the impact on the environment and promote sustainable development.
- Ensure the safety of major new developments such as Heathrow Terminal 5, Crossrail and those in the Thames Gateway.
- A public affairs programme to campaign for improvements including fitting new sprinklers in new and refurbished premises where the risk justifies it, promoting fire safer cigarettes and reducing the disruption and danger caused by fires involving acetylene cylinders.
- Deliver the new fire safety enforcement regime.
- Deliver a multi-year programme to improve ability to provide immediate emergency care, including the provision of defibrillators on every fire engine.
- Prepare for the 2012 Olympic and Paralympic Games and for improvements in community safety as part of the Games legacy.
- Implement agreed strategies for working with young people and older people
- Work with London Boroughs and social housing landlords to ensure all social housing is fitted with smoke alarms and sprinkler systems are fitted in homes of those most vulnerable.
- Continue to increase the number of black and minority ethnic (target 12 per cent in 2008-09) and women firefighters (target 4.5 per cent in 2008-09) and to provide services which meet the needs of London's diverse communities.

Budget requirement

- 3.5 The Fire Authority's gross expenditure is estimated to be £453.4m. After deducting fees, charges and other income and the application of reserves, the budget requirement for 2008-09 is **£405.1m**. This is £13.6m higher than that for 2007-08.

Explanation of budget changes

- 3.6 The key changes in income and expenditure areas between years and that projected for the following two years for each of the main service areas are set out in the table overleaf. The changes in 2008-09 relative to 2007-08 can be summarised as follows:

Changes in the Fire Authority's spending plans	2008-09 £m
2007-08 budget requirement	391.5
<i>Changes due to:</i>	
Inflation	10.1
Growth in existing services and programmes	2.7
New initiatives and service improvements	4.1
Savings and efficiencies	-6.7
Decrease in specific grants	1.2
Changes in use of reserves	2.2
2008-09 budget requirement	405.1

Section 3 – London Fire and Emergency Planning Authority

Service analysis	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Community safety	37.2	42.8	37.6	38.8	39.9
Firefighting and rescue	317.5	308.4	324.2	335.0	343.9
Firefighter pensions	61.2	57.4	61.1	62.3	63.7
Emergency planning	1.0	1.2	1.0	1.0	1.0
Central services	2.2	1.9	2.2	2.2	2.2
Budgets to be allocated	-	6.0	-	-	-
Savings to be agreed	-2.0	-	-	-4.2	-6.5
Net service expenditure	417.1	417.7	426.1	435.1	444.2
Capital financing costs	10.3	9.9	11.9	12.1	12.8
External interest receipts	-4.0	-6.5	-4.4	-4.0	-4.0
Specific grants	-9.5	-10.3	-8.3	-8.3	-8.3
Net revenue expenditure	413.9	410.8	425.3	434.9	444.7
Transfer to/from reserves	-22.4	-19.3	-20.2	-9.6	-
Budget requirement	391.5	391.5	405.1	425.3	444.7

Inflation

- 3.7 Inflation is budgeted to be £10.1m in 2008-09. This includes the cost of known pay awards and provision for general price inflation on other non-staff budgets.

Committed growth

- 3.8 The full year effect of 2007-08 budget decisions and those items of expenditure which are unavoidable or to which the Authority is contractually committed adds £2.7m to LFEPA's budget for 2008-09 and future years.

Increases in service levels and new initiatives

- 3.9 There are also new initiatives, which add £4.1m to expenditure in 2008-09.

Savings and efficiencies

- 3.10 The budget includes cashable efficiency savings of £6.7m in 2008-09. LFEPA has already achieved the Government's three-year target of £19.5m efficiency savings to be achieved by March 2008 and is currently on course to exceed the national fire service targets by some £14m (70 per cent).

Reserves

- 3.11 The 2008-09 budget is supported by use of £20.2m reserves, of which £19.5m is from earmarked reserves and £0.7m is from the general reserve. Earmarked reserves being applied are London Resilience (£0.8m), pensions (£1.0m) and PFI (£17.7m). General reserves are projected to be £8.6m at March 2010, which is 2 per cent of the budget requirement.

Section 3 – London Fire and Emergency Planning Authority

3.12 The table below shows the estimated balances on both capital and revenue reserves, including a switch to general reserves from the balance sheet in respect of the lease for new headquarters.

LFEPA reserves	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Opening balances	61.1	65.1	43.8	23.0	13.4
Transfers to/from:					
Earmarked reserves	-4.9	-5.2	-20.1	-	-
General reserves	-12.3	-16.1	-0.7	-9.6	-
Closing balances	43.9	43.8	23.0	13.4	13.4

Section 4 – Greater London Authority: Mayor of London

- 4.1 The Greater London Authority is set up to enable the Mayor to deliver strategies for dealing with London-wide issues. It provides coordination and focus for how the GLA Group shall work together to achieve the Mayor's priorities and deliver effective regional government in the capital. It also enables the London Assembly to carry out its scrutiny and investigative role. The Greater London Authority Act 2007 introduces separate component budgets for the Mayor and Assembly and this section sets out the estimates for the Mayor's component budget only.
- 4.2 The GLA Act 2007 (and the Further Education and Training Act 2007) also introduced new lead roles for the Mayor on housing and adult skills in London, a strengthened role over planning in the capital and additional strategic powers in respect of waste, culture and sport, health, climate change and appointments to the boards of the functional bodies. The number of mandatory mayoral strategies will increase from eight to 12, plus the Employment and Skills Strategy, produced by a board chaired by the Mayor.
- 4.3 Key achievements over the last year include: publishing and starting the process of implementing the London Climate Change Action Plan; helping towards the establishment of the Clinton Climate Initiative \$5bn fund to help cities make commercial buildings cleaner and greener; establishment of the £79m 'London Youth Offer' which will address concerns over the high levels of child poverty in the capital; funding for youth services and target the most deprived and hard to reach young Londoners; getting approval for Crossrail which makes it possible to provide an effective transport infrastructure to underpin London's future growth and publishing the draft housing strategy setting out plans for 50,000 more affordable homes and a doubling in the supply of homes for social rent in the capital.

Key deliverables

- 4.4 While the Mayor of London provides strategic direction and leadership, much of the delivery takes place through the members of the GLA Group and other partners such as the boroughs, private and not-for-profit bodies. The aims and objectives for the GLA, which are set out below, reflect the GLA's strategic role.

Global warming and improving London's environment in a sustainable way

- Reduce greenhouse gases and other harmful emission and promote sustainable, decentralised energy.
- Ensure London is prepared for the impact of climate change.
- Consume fewer and recycle more resources.
- Improve access to London's environment.

Expand and improve transport provision in London

- Deliver improvements in public transport performance, especially London Underground.
- Ensure delivery of key transport infrastructure projects.
- Achieve a more sustainable transport network.

Section 4 – Greater London Authority: Mayor of London

Improve public safety

- Oversee a fall in crime in the capital.
- Ensure Londoners feel safer.
- Reflect the diversity of London in its police and fire services.
- Be prepared for terrorism and other major emergencies.

Deliver sustainable growth within a changing global marketplace

- Regenerate London to deliver sustainable improvement in the living standards and quality of life of all Londoners.
- Increase employment opportunities and productivity to enhance London's position as Europe's leading world city.

Promote London at home and abroad as a world class city

- Support the successful delivery of the 2012 Olympic and Paralympic Games.
- Promote London as a leading world city for the 21st century – socially, culturally and economically.

Remove social inequality and increase social inclusion

- Remove the barriers preventing Londoners getting out to work.
- Promote fair business practices.
- Ensure a fair share of economic prosperity for minority groups.

Increase housing supply and reduce homelessness

- Accelerate the increase in London's housing supply and affordable homes.

4.5 The effective implementation of London's Climate Change Action Plan remains the Mayor's priority. Key deliverables for the GLA in 2008-09 include:

- Increase the international political significance of the Large Cities Climate Change Group (of which London is a prominent member).
- Reduce carbon emissions by using a joint tendering process to improve the energy efficiency and insulation of major buildings within the GLA group.
- Publish and implement Climate Change Adaptation, Business Waste and Municipal Waste strategies.
- Build on the work already done across the group to implement sustainability and diversity into the GLA group's procurement function.

4.6 Other priorities for the GLA in 2008-09 include:

- Delivery of the 2008 Mayoral and London Assembly elections.
- Delivery of the Mayor's Youth Offer.
- Ensuring the 2012 Olympic and Paralympic Games generate a permanent legacy which maximises the social economic and cultural benefits to London.

Section 4 – Greater London Authority: Mayor of London

Budget requirement

- 4.7 Including the financial contribution to the public sector funding package for the 2012 Olympics and Paralympics Games, the Mayor's estimated gross expenditure is £131.8m. After deducting fees, charges, investment income and the application of the election and general reserves, the budget requirement for 2008-09 is **£127.8m**. This is £10.8m higher than that for 2007-08. Of this £9.7m reflects expenditure on the Museum of London and new burdens, which are covered by a transfer to the GLA general grant. The remaining increase in expenditure represents an increase of 0.9 per cent.

Explanation of budget changes

- 4.8 The changes in 2008-09 relative to 2007-08 can be summarised as follows:

Changes in the Mayor's spending plans	£m
2007-08 adjusted budget requirement	117.0
<i>Changes due to:</i>	
Inflation	1.5
Net savings in existing services and programmes	-0.2
New initiatives and service improvements	0.4
Additional savings and efficiencies	-2.6
Elections	-11.1
Olympic and Paralympic Games funding agreement	-2.1
Museum of London	9.3
Change in use of reserves	15.6
2008-09 budget requirement	127.8

- 4.9 The key changes in income and expenditure areas between years and that projected for the following two years for each of the main service areas are set out in the table overleaf.

Section 4 – Greater London Authority: Mayor of London

Service/directorate analysis	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Mayor's Office	12.7	13.2	12.4	12.9	13.1
Media and Marketing	3.6	3.6	3.7	3.8	4.0
Policy and Partnerships	11.8	11.4	10.9	11.3	11.7
Finance and Performance	7.6	7.9	7.5	7.7	7.9
Corporate Services	20.1	19.6	20.4	20.8	21.2
Chief Executive	0.3	0.3	0.3	0.4	0.4
Olympic Funding Agreement	60.8	60.8	58.7	59.1	59.6
Museum of London	-	-	9.3	9.5	9.7
Elections	18.5	12.1	6.6	0.4	0.4
Capital financed from revenue	2.5	3.2	2.6	1.7	1.8
Savings to be allocated	-	-	-0.5	-0.5	-0.5
Net service expenditure	137.9	132.2	131.9	127.1	129.3
Interest receipts	-2.2	-2.9	-2.7	-2.7	-2.7
Specific grants	-1.7	-0.6	-0.1	-0.1	-0.1
Net revenue expenditure	133.9	128.7	129.1	124.3	126.5
Transfer to/from reserves	-16.9	-11.1	-1.3	6.9	7.1
Budget requirement	117.0	117.6	127.8	131.2	133.6

Inflation

- 4.10 Inflation is budgeted to add £1.5m to GLA (Mayor of London) costs in 2008-09.

New initiatives and service improvements

- 4.11 Planned increases in the Authority's activities add £0.4m in 2008-09 to the budgeted costs relative to 2007-08. These are set out below.

	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
5.6 full time equivalent additional staff posts	0.3	0.3	0.3
Youth services programme budget (two years only)	0.1	0.1	-
Total	0.4	0.4	0.3

Savings and efficiencies

- 4.12 The budget incorporates cashable efficiency savings of £2.6m in 2008-09, including target savings for efficiencies to be secured from the 'Delivering More Together' programme, which represents savings that should result from the work streams currently in progress. In total the Authority's savings represent 6.2 per cent of controllable expenditure, and exceed the Government's target.

Section 4 – Greater London Authority: Mayor of London

- 4.13 In addition non-cashable efficiencies continue to be delivered across the Authority, in part derived from a programme of efficiency reviews. In the past year this has led to non-cashable savings arising from the move to a greater number of framework agreements, a reduction in time spent on letting contracts and the streamlining of processes.
- 4.14 The review programme also delivers improvements in the quality of services. Over the past year examples have included improvements in the commissioning of publications, and the management of events held in City Hall. While some growth is estimated in respect of the Government's review of GLA powers much of the additional work is being contained within existing resources by teams across the Authority.

2012 Olympic and Paralympic Games

- 4.15 In the revised Memorandum of Understanding between the Government and the Mayor of London, signed in June 2007, the Mayor agreed, subject to the Greater London Authority's decision-making processes, that a financial contribution from the council tax payer would be made to support the cost of staging the games. As part of the bid, both the Mayor and the Government signed guarantees confirming the amounts to be funded by council tax (up to £625m) and other funding sources, and pledging to take all necessary measures to ensure that London will fulfil its obligations under the host city contract, which was signed with the International Olympic Committee on London's bid being successful. The Mayor has agreed to fund a further £300m and the new agreement with Government confirms that this will not be met from either council tax or transport fares.
- 4.16 The financial contribution to support the cost of staging the games forms part of the component budget of the Mayor of London. Therefore, reflecting the Mayor's intention that the amount to be raised through the council tax precept would be £20 a year at the band D household level and that there are an estimated 2.93 million band D equivalent households, the amount included in the GLA's component budget is £58.7m.

Reserves

- 4.17 The expected movements in reserves are:

GLA reserves	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Opening balances	30.5	30.5	19.4	18.1	25.0
Transfers to/from:					
Election Reserve	-13.8	-7.1	-1.3	4.6	4.6
Other earmarked reserves	-2.8	-5.1	1.0	2.3	2.5
General reserves	-0.3	1.1	-1.0	-	-
Closing balances	13.6	19.4	18.1	25.0	32.1

Section 4 – Greater London Authority: Mayor of London

- 4.18 The most significant movement on the earmarked reserves in 2007-08 relates to the 2008 Mayor and Assembly elections. About two-thirds of the expenditure for the election will be incurred in 2007-08, hence the transfers from the election reserve in both 2007-08 and 2008-09. After 2008-09 the reserve, which is expected to be £5.8m at March 2009, will be built up in preparation for the 2012 elections. These costs will be kept under review.
- 4.19 At 31 March 2008 the general balance is expected to total some £4.3m which represents just over 3 per cent of the estimated 2008-09 net revenue expenditure, or just over 6 per cent when the amounts included in respect of the Olympic Funding Agreement and the Museum of London are excluded on the basis that they are covered by specific sources of funding. The general balance includes a contingency of £0.2m. In light of this it is considered prudent to release £1m of these balances to support the budget process for 2008-09. This will be kept under review.

Section 5 – Transport for London

- 5.1 The financial framework for TfL's Business Plan is the groundbreaking deal achieved in 2004 with the Government. Innovatively, this gave TfL a five-year grant settlement lasting until March 2010, and allowed, for the first time, borrowing from the financial markets under the prudential borrowing regime to provide further support for its five-year plan. The implications of Spending Review 2007 have yet to be fully appraised and are not included in this plan so this document only covers the remaining two years of the current settlement to 2009-10. The impact of Metronet going into administration is also excluded.
- 5.2 TfL has secured all-party support and the backing of top business leaders and unions for Crossrail, which was given the go ahead in October 2007. It will support future population and job growth, particularly in the West End and Canary Wharf, by adding a 10 per cent increase in public transport capacity. It could add a net benefit of £37bn to UK GDP over 60 years. The funding implications of Crossrail are not considered in TfL's current Business Plan, although it is not expected to impact materially on TfL's plans in the period up to 2009-10.
- 5.3 Significant achievements to date include successful implementation and extension of the central congestion zone and the revitalisation of the bus network, (which is forecast to carry over 2.1bn journeys in 2007-08) including CCTV and step-free access on all vehicles. Substantial investment has been put into modernisation and refurbishment of London Underground which is expected to carry a record 1.1 billion journeys in 2007-08.

Key deliverables

- 5.4 In its updated Business Plan, TfL continues to focus on the delivery of its Investment Programme, as well as on further operational improvements. TfL's plan focuses on supporting economic development by improving the public transport system given the population growth expected over the next 20 years.
- 5.5 The Mayor's Climate Change Action Plan sets out a list of objectives and a framework within which TfL's Business Plan operates, particularly in respect of reducing carbon emissions. As CO₂ emissions from public transport constitute only 13 per cent of total transport emissions in the Capital, a key aim will be to continue exerting influence on modes outside TfL's direct control i.e. cars and motorcycles and road freight.
- 5.6 TfL's focus will be on encouraging more people to use public transport and/or to walk and cycle, as well as promoting a progressive shift of freight from road to more sustainable modes such as rail and water. Against a background of growing demand for public transport, CO₂ emissions per passenger kilometre will fall, but the provision of additional public transport capacity may result in an increase in TfL's CO₂ emissions, despite their best efforts to improve operational efficiency and adopt low-carbon technologies. However, this should be more than offset by an overall decrease in total transport sector emissions due to the modal shift facilitated by public transport investment.

Section 5 – Transport for London

5.7 The key outputs and deliverables of the Business Plan and Investment Programme include:

Improving Rail & Underground Services

- Substantial improvements towards an estimated overall reduction in journey time on London Underground (LU) of 13 per cent and an estimated 25 per cent capacity increase across the LU network by 2020, the renewal of 280km of track, leading to higher reliability and an improved ride quality and enhanced station facilities, including CCTV, Help Points and high-quality audio and visual information.
- New trains will be introduced on to the Victoria line from late 2009 as part of a line upgrade. They will include accessibility improvements such as designated wheelchair spaces, audio announcements and better ventilation. All District line trains will be refurbished by 2009.
- The Piccadilly line extension to Heathrow terminal 5 will open in 2008 and is expected to serve three million customers a year by 2010.
- A LU station target of 33 per cent step free access by 2013, with twenty five per cent of Underground stations step free from platform to street by 2010.
- LU power upgrades to meet PPP requirements plus provision of a new radio system across the whole of the network (already introduced on the East London, District, Circle and Hammersmith and City lines).
- Major congestion relief schemes at Paddington, Tottenham Court Road, Bank, Bond Street, Vauxhall and Finsbury Park.
- Short-term works are to be carried out by 2008 to improve the flow of customers in the ticket hall area at Covent Garden. This will enable the station to stay open for seven days a week in normal conditions.
- Improvements at Finsbury Park (including a secure cycle park) and Greenwich station, as well as signage and other enhancements at various interchanges, were completed in 2007. Now, a programme of further enhancements at strategic interchanges are being evaluated, including at Victoria Transport Interchange, Waterloo, Elephant and Castle, Ealing Broadway and Tottenham Hale.
- The construction of 55 new DLR railcars due to enter service from 2008.
- Extensions being developed on the DLR network such as the one from King George V station under the river to Woolwich Arsenal. The tunnel under the river was completed in July 2007, and the extension itself is due to open in 2009. Expansions of capacity are also planned to allow three-car trains on the Bank-Canary Wharf-Lewisham and the Stratford-Poplar branches.

Section 5 – Transport for London

- TfL took over responsibility for the Silverlink Metro (now known as the London Overground) in November 2007. TfL will deliver a number of improvements, including enhanced frequency, improved service and security and, as from late 2008-09, new trains. The additional policing on the North London Line, introduced in 2006, will be enhanced.
- East London Line extension Stage 1, linking Dalston Junction in the north to West Croydon and Crystal Palace in the south (opening in 2010), with the 'Dalston Curve' linking the line to the North London Line to Highbury and Islington and beyond.
- Oyster availability is now being extended to National Rail, starting with the London Overground in November 2007. It will then be progressively rolled out across all other stations within the Travelcard boundary in London by March 2010.

Better bus services

- Expansion of the numbers of high frequency buses and 24 hour buses. More than two thirds of bus routes operate on a high-frequency basis (at least five buses an hour), and more than 100 routes run a 24-hour service.
- Since 2004, 141 bus lane schemes delivering 3,000 kilometre hours per week 'protection' to bus services have been installed, many in partnership with the boroughs. These will continue throughout the Plan period.
- The iBus project – rolling out from 2007 – will provide a new bus radio and communications system that will give passengers better information.

Walking and cycling

- Extending the LCN+ (London Cycle Network plus) to become a 900-km network of cycle routes of which more than 500km were completed by March 2007.
- Creating more green cycling routes.
- Expanding cycle parking at schools and stations.
- Providing cycle training for all year 5 and 6 schoolchildren, and 'Bikeability' cycle training for adults.
- Continuing with improvements to new and upgraded crossings, pavement widening, dropped kerbs, subway improvements, better lighting and security and other enhancements for pedestrians.
- Subject to consultation, the south side of Parliament Square will be closed to traffic and integrated into an enlarged garden area, with pedestrian improvements in Bridge Street. If the plan goes ahead, work would be completed by December 2010.
- TfL is working with the Central London Partnership and the Boroughs on the Legible London project (This is a scheme to help people find particular places with a simple and reliable wayfinding system).

Section 5 – Transport for London

Reducing CO₂ Emissions and improving traffic demand management

- Continue with Travel Demand Management Plans. Every school should have a travel plan by 2009.
- An ‘eco driving’ marketing campaign (linked to the national DfT programme) which will aim to educate motorists towards more environmentally friendly car usage.
- Subject to consultation, TfL is considering the introduction of “emissions influenced” charging (i.e., varying the charge according to the CO₂ given off by various vehicles²) from late 2008.
- Continuation of the climate change fund.
- Bus CO₂ emissions overall will decline due to the greater number of Euro IV standard buses in the fleet. (These are estimated to have five per cent lower fuel consumption than those they replace). Further reductions will be delivered by increasing the numbers of hybrid buses. (New diesel hybrid buses emit between 30-40 per cent less CO₂ than a standard diesel.)
- Further trials of hydrogen-fuelled vehicles, including buses, cars and vans, with the aim of expanding TfL’s hydrogen fleet as a whole.
- TfL is developing its energy sourcing strategy over the next year to identify the most effective ways to decarbonise its energy supply. This will be through investigating alternative zero/low carbon energy procurement strategies and the further development of decentralised energy opportunities i.e. on-site generation.
- In addition, TfL will continue to deliver environmental improvements to its building stock.
- The sustainable transport town centre scheme in Sutton (for 2006 to 2009) will be progressed, where TfL and the Borough are working in partnership to encourage people to walk, cycle and use public transport and pilot other opportunities to reduce congestion.
- Encouragement of sustainable freight operations through the eight proposals contained in the London Freight Plan, launched in June 2006.

Backing responsible procurement

- Responsible Procurement is being implemented in new contracts on a case-by-case basis and is being addressed as the procurement strategy is developed
- The TfL Group Furniture Contract incorporates sustainable timber principles and timber terms conditions will be added to the Standard Services Contract and the Purchase Order Terms and Conditions will be amended to include the relevant Sustainable Timber clauses.

² The proposal being considered is a lower than standard charge for vehicles with CO₂ emissions of less than 120g/km, and a higher charge for those whose CO₂ exceeds 225g/km.

Section 5 – Transport for London

Coping with the effects of climate change

- A programme to reduce temperatures in tunnels and stations is in development.
- The new overground train fleet which will start to enter service in 2008 will have air conditioned carriages.
- TfL has assessed the flood risks for its operations and carried out an audit to check on the flood management plans for LU stations.

Improving the Health of Londoners

- Access to childcare, education, adult training, employment, housing, health services and good quality food providers is a crucial factor in terms of health. Encouraging walking and cycling reduces obesity and benefits health.
- Continued delivery of the road safety programme with the aim of achieving by 2010 the Mayor's casualty reduction targets announced in 2005 - the overall target is to reduce the number of people killed or seriously injured by 50 per cent over the 1994-98 average by 2010.
- The introduction of the proposed London-wide Low Emission Zone, which, from 2008, will require HGVs, coaches, taxis and buses to meet Euro III emission standards.
- Minimising pollutant emissions. All buses have been fitted with particulate filters since December 2005 leading to a substantial reduction in polluting emissions. Initiatives such as hybrid buses, which reduce pollution, also cut noise and reducing noise has health benefits.
- TfL is also striving to cut noise, foster biodiversity and promote reduction, reuse and recycling of waste. New buses are already quieter, and LU and London Rail are looking into the issue of noise from public announcements. As an employer, the 2004-05 to 2009-10 Health Improvement Plan for staff is continuing to be rolled out.

Managing the road network

- During the next three years 300 lane kilometres of carriageway on the Transport for London Road Network will be resurfaced or reconstructed.
- A programme of traffic signals modernisation is to continue, and, from 2010, a new modern traffic control system will come into being. It will replace those signals that are more than 30 years old.

Supporting Thames Gateway regeneration

- Two bus-based transit schemes to serve the proposed bridge are under construction: East London Transit stage 1a (Ilford-Thames View Estate opening in 2009), and Greenwich, Waterfront Transit stage 1 (Abbey Wood-Woolwich-North Greenwich, opening in 2011).

Section 5 – Transport for London

Improving access and providing Door-to-Door Transport Services

- Forty seven LU stations are now step free from platform to street level. A further 22 will be step free by 2010.
- Visual displays and audio announcements are to be provided on all buses, benefiting all passengers but especially disabled or older people.
- Introducing free travel on the Dial-A-Ride service from January 2008.
- Introducing better equipped Dial-a-Ride vehicles. By the end of the Plan period most of the fleet will have been replaced with improved vehicles.

Delivering the Olympics

- Some £13bn will be invested in enlarging and upgrading the TfL network of which £5.6bn will be invested to meet the transport needs of the 2012 Olympic and Paralympic Games.

The Venezuela Agreement

- 5.8 The Mayor's 2007 agreement with the Venezuelan oil company provided for payment of 32 million US Dollars (calculated as 20 per cent of the UK price of the fuel used by London's bus fleet) in exchange for providing technical assistance to Venezuelan cities in areas such as transport and town planning. The agreement is intended (and for budgetary purposes is assumed to be) budget neutral.
- 5.9 This 'energy funding contribution' is being used by TfL to support a 50 per cent discount on bus and tram travel for Londoners in receipt of Income Support. The value of the travel sold to photocard holders up to December 2007 was £2.1m. Other costs including promotion, photocard production and database development are also reclaimable under the agreement. Income received, representing the first installment, has been £7.5m.
- 5.10 The main areas of assistance to be provided by TfL, to the Venezuelan Government, have been identified as:
- To assist with the creation of a organisational structure in Caracas capable of delivering the necessary transport improvements in an integrated manner;
 - To assist in the development of bus priority;
 - To assist with the implementation of a urban traffic signal control centre;
 - To assist with improving intermodal interchange between the metro and other modes;
 - To advise on major highway improvements required to improve traffic flow.

Budget Requirement

- 5.11 TfL's gross expenditure in 2008-09 is budgeted at **£7,699m** consisting of expenditure on its operations, capital projects, debt servicing and contingency. Deducting income of £3,547m leaves £4,151m to be met by funding from external sources and reserves. While the bulk of the funding is in the form of Transport Grant from Government, TfL will continue to borrow under the Prudential Borrowing regime as agreed with

Section 5 – Transport for London

Government. The level of borrowing is expected to increase steadily totalling £3.1bn over the five years to 2009-10.

- 5.12 TfL's budget requirement (which is the amount to be raised in the GLA council tax precept) for 2008-09 is **£12m**, which remains unchanged on the current year.

Explanation of budget changes

- 5.13 The key changes in income and expenditure areas between years and that projected for the following two years for each of the main service areas are set out in the table overleaf. The changes in 2008-09 relative to 2007-08 can be summarised as follows:

Changes to the TfL's spending plans	£m
2007-08 budget requirement	12
<i>Changes due to:</i>	
Inflation	134
Existing projects (includes overprogramming)	526
Fees, charges and ticket/trading revenue	-59
New initiatives	93
Services increases	225
Efficiencies, other savings and budget reductions	-186
Working capital movements	-116
Transport grant	-51
Prudential borrowing	-290
Reserves movements	-276
2008-09 budget requirement	12

Section 5 – Transport for London

Service analysis	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m
Income				
Traffic income	-2,654	-2,699	-2,825	-2,967
Congestion charging income	-341	-331	-357	-377
Other income	-300	-295	-305	-321
	-3,295	-3,325	-3,487	-3,665
Operating costs				
London Underground	2,633	2,519	2,676	2,881
Surface Transport	2,536	2,568	2,644	2,725
London Rail	173	183	311	330
Corporate Directorates	381	374	398	325
	5,723	5,644	6,029	6,261
Net capital expenditure				
London Underground	419	418	597	816
Surface Transport	297	219	314	260
London Rail *	427	415	822	315
Corporate Directorates	74	54	23	3
Property Sales	-52	-68	-30	-68
Third Party Contributions	-177	-143	-218	-164
Group Level overprogramming	-70	-11	-68	-69
	918	884	1,440	1,093
Other				
Interest income	-74	-94	-60	-40
Debt servicing	111	112	162	227
Group items	7	7	40	42
Contingency	28	28	28	28
Net services expenditure	3,418	3,256	4,151	3,946
Movements in working capital	129	69	13	-25
Transfer to/from reserves	-337	-115	-613	-506
Specific grants	-2,598	-2,598	-2,649	-2,803
Prudential borrowing	-600	-600	-890	-600
Budget requirement	12	12	12	12

* London Rail incorporates the North London line from November 2007.

Note: The total prudential borrowing in 2006-07 was £604m, of which £464m was allocated against capital expenditure in that year. The remaining £140m will be allocated against capital expenditure in 2008-09. The authorised borrowing for 2008-09 remains at £750m. This is consistent with the Prudential Code.

Section 5 – Transport for London

- 5.14 The above table includes estimates of net capital expenditure³, which include provision for over-programming of £165m for 2007-08, rising to £219m by 2009-10 (see below). This provision recognises that there are stages of the investment plan that are not entirely under TfL control.
- 5.15 The provision for over-programming is held at group level, and within the two larger modes as shown below.

Overprogramming	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m
London Underground	45	21	60	100
Surface Transport	50	41	50	50
Group level	70	12	68	69
	165	74	178	219

Inflation

- 5.16 Inflation is estimated to add £134m to TfL's costs in 2008-09. This is based on an underlying inflation assumption of 2.7 per cent and the expected costs of bus contracts being tendered in 2007-08 and 2008-09 where the actual costs of operating these services have increased in real terms over the contracts being re-tendered.

Committed growth

- 5.17 The full year cost of existing service levels and the additional cost of on-going capital projects is estimated to add £526m net to TfL's costs in 2008-09.

Fees, charges and ticket/trading revenues

- 5.18 The estimates for traffic income reflect the fares package for 2008 announced by the Mayor in September 2007. This package freezes bus fares at 2007 levels (including the reduction of weekly bus pass fares introduced in September 2007) and provides for tube fare increases of c4 per cent, reflecting 2007 inflation, and an RPI increase in January 2009. The estimates also reflect the western extension of the Central London Congestion Charge which was introduced in February 2007.

Increases in service levels and new initiatives

- 5.19 Planned increases in service levels and new initiatives service add £318m in 2008-09 and £205m in 2009-10.

	2008-09 £m	2009-10 £m
Increase in service levels	225	161
New initiatives	93	44
Total	318	205

³ Net capital expenditure less prudential borrowing is the amount of capital expenditure to be charged to a revenue account in the local authority accounting regime

Section 5 – Transport for London

Savings and efficiencies

- 5.20 TfL's efficiency programme was established in 2002-03 with an original savings target of £1bn by the end of 2009-10. TfL now plans to save over £1.3bn (cumulative) by the end of this period. In addition to the continuing operational and back office efficiencies, the future additional efficiency initiatives include:
- Additional procurement savings targets on controllable (reducible) spend across TfL.
 - Continued focus on delivering efficiencies through the contracting arrangements relating to the bus network, and additional operational efficiencies as a result of reducing cash on buses.
 - Further operational savings relating to the on-going successful implementation of Oyster card.
 - Savings on road maintenance contracts which were brought in-house from 1 April 2007.
- 5.21 In addition to these planned savings and efficiencies, stewardship of the GLA Group convergence programme was passed to TfL in 2007. For TfL it is anticipated that a saving of £1m could be saved in 2008-09 and an additional £1m a year thereafter.

Grant funding

- 5.22 Grant funding for the current year, the budget for 2008-09 and subsequent planned funding for 2009-10 is set out in the table below.

Grant funding	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m
Transport Grant	2,544	2,544	2,528	2,651
Olympic Delivery Authority	5	5	80	94
Overground Funding	35	35	41	39
Dalston Junction Works	-	-	-	19
Langdon Park (DCLG Funded)	14	14	-	-
Specific Grants	2,598	2,598	2,649	2,803

Section 5 – Transport for London

Reserves

- 5.23 Total reserves are forecast to reduce from the current level of £1,473m to £239m by the end of 2009-10, as follows.

Tfl reserves	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m
Opening balances	1,473	1,473	1,358	745
Transfers to/(from):				
LUL reserves provision	-	-	-	-170
Earmarked reserves	-337	-115	-613	-336
General reserves	-	-	-	-
Closing balances	1,136	1,358	745	239

Managing risk

- 5.24 The risk management framework within London Underground includes a comprehensive review process of costs, timescales and probabilities in order to assess the level of risks in project delivery and operational activities, and to manage and reduce the level of such risks. The London Underground budget includes specific provisions within the PFI and PPP programmes to allow for the costs of identified risks impacting on the business. This approach for budgeting for risk recognises the complex and contractual inter-relationships between the Underground, the PPP Infracos and PFI contractors. The Underground budget also includes a general provision for other risks outside the PPP and PFI contracts.

Earmarked reserves

- 5.25 In order to manage its investment and borrowing programme TfL has created an earmarked capital reserve that will be required to meet its capital commitment over the plan period. The Government funding settlement for London Underground includes specific provision for the completion of transitional projects at the time of the implementation of the PPP contracts. These projects are planned for completion in future plan years. The reserve will be fully utilised by March 2010.

LU reserve

- 5.26 In addition to the Underground budgets for risk areas, the Government funding settlement includes provision to establish a reserve provision to manage future business risks for major unplanned and unforeseen expenditure. The forecast level agreed by Government of £170m was achieved in 2005-06. Given recent events, including the administration of Metronet BCV and SSL, TfL has been in dialogue with Government to agree if this reserve is to be required in future. TfL's business plan assumes the utilisation of this reserve in 2009-10.

General reserves

- 5.27 TfL's general reserves are expected to remain at £239m in the period to 2009-10. This represents approximately 2 per cent of TfL's gross budget. It is considered that this level of reserves is appropriate to meet general requirements.

Section 6 – Greater London Authority: London Assembly

- 6.1 The GLA Act 2007 introduces a separate component budget for the London Assembly in respect of the Assembly members, employees of the Authority who normally work as support staff for the Assembly or Assembly Members, goods or services procured solely for the purposes of the Assembly and the London Transport Users' Committee (London Travel Watch).

Role of the Assembly

- 6.2 The aims of the Assembly are to:
- Hold the Mayor of London effectively to account.
 - Conduct effective investigations into issues that matter to Londoners.
 - Represent the views of Londoners and raise issues of concern on their behalf.
 - Sponsor and monitor London Travel Watch.

Key deliverables

- 6.3 The Secretariat has seven overarching objectives that guide its work in supporting the Assembly. The Secretariat supports the Assembly to achieve these aims and its objectives reflect this. The Secretariat is also responsible for planning and managing Mayoral and London Assembly elections (although the cost of the 2008 election is included within the Mayor's component budget). Deliverables specific to 2008-09 are as follows:
- Support the new Assembly to establish effective structures and processes to fulfil its statutory duties.
 - Support the Assembly to scrutinise the Mayor's exercise of new powers transferred to him by the GLA Act 2007, including those in relation to planning, housing, waste, health inequalities and climate change.
 - Devise and implement an effective induction process for new Assembly Members following the GLA elections in May 2008.
 - Support the Assembly to develop an effective confirmation hearings process once the relevant provisions of the GLA Act come into force.
 - Publicise the scrutiny work of the Assembly and its committees via the media and directly to stakeholders.
 - Encourage public attendance at Mayor's Question Time, in particular targeting equalities groups.
 - Develop accessible publicity material explaining the role of the Assembly and its composition.
 - Respond effectively to consultations from the Head of Paid Service on creation and deletion of posts in the core GLA.

Section 6 – Greater London Authority: London Assembly

Budget requirement

- 6.4 The Assembly's requirement for 2008-09 is **£8.7m**. This is £0.1m or 1.4 per cent higher than the equivalent budget figure for 2007-08.

Explanation of budget changes

- 6.5 The changes in 2008-09 relative to 2007-08 can be summarised as follows:

Changes in the Assembly's spending plans	£m
2007-08 adjusted budget requirement	8.6
<i>Changes due to:</i>	
Inflation	0.2
Savings and efficiencies	-0.1
2008-09 budget requirement	8.7

- 6.6 The key changes in income and expenditure areas between years and that projected for the following two years for the Assembly are set out in the table below:

Service analysis	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Assembly and Group Support	4.3	4.0	4.4	4.5	4.6
Committee Services	0.5	0.4	0.5	0.5	0.5
Directorate Business Support	0.5	0.5	0.5	0.5	0.5
Scrutiny	1.0	1.1	1.1	1.1	1.2
External Relations	0.3	0.3	0.3	0.3	0.3
London TravelWatch	1.6	1.6	1.6	1.7	1.7
Elections & Special Projects	0.1	0.1	0.1	0.1	0.1
Legal and other direct services	-	-	0.2	0.2	0.3
Net service expenditure	8.3	8.0	8.7	8.9	9.2
Interest receipts	-	-	-	-	-
Specific grants	-	-	-	-	-
Net revenue expenditure	8.3	8.0	8.7	8.9	9.2
Transfer to/ from reserves	-	-	-	-	-
Budget requirement	8.3	8.0	8.7	8.9	9.2

Inflation

- 6.7 Inflation is budgeted to add £0.2m to GLA (London Assembly) costs in 2008-09.

Savings and efficiencies

- 6.8 The budget incorporates cashable efficiency savings of £0.1m in 2008-09.

Section 6 – Greater London Authority: London Assembly

Reserves

- 6.9 At present the Authority's accounts do not specifically earmark any reserves for the Assembly. However, within the existing reserves there is £260,000 relating to the Assembly on the basis that the Mayor and Assembly members introduce a resettlement grant scheme for elected members who serve their term and are not re-elected in accordance with the new power for such a scheme provided by the GLA Act 2007. It is therefore intended to identify this amount in an earmarked reserve for the Assembly as part of the closing of the 2007-08 accounts.

Section 7 – London Development Agency

- 7.1 The Mayor's revised Economic Development Strategy was launched on 20 January 2005, providing the strategic framework for the long-term economic development of the capital. The LDA plays a leading role in implementation of the Mayor's strategy, working with other delivery stakeholders
- 7.2 The Mayor sets the targets for the LDA, part of them reflecting the national target Framework which applies to the other Regional Development Agencies, while some of them, such as Childcare or Affordable Housing, focus on London's specific needs.
- 7.3 The Mayor will set an overarching growth objective in consultation with Government which will set an overall target for sustainable improvements in the economic performance of London resulting in Gross Value Added per head over the period 2008-2012. This objective is consistent with the Mayor's Economic Development Strategy. In accordance with this framework the Mayor will set the output targets that will drive the LDA delivery programme. The outputs and supporting indicators are being developed as an integral part of the LDA's Corporate Investment Strategy, which is currently out for consultation.

Key deliverables

- 7.4 Mirroring the EDS, the Investment Strategy has the following key deliverables:

To support the delivery of the Mayor's London Plan, promote sustainable growth and economic development

- Develop and implement with partners a coherent land use strategy for London.
- Ensure a London wide brownfield land use strategy drives design, climate change, public realm, social infrastructure and affordable housing considerations.
- Drive forward the development and physical regeneration of the Lower Lea Valley and Thames Gateway Remediate and/or invest in reclaiming and developing brownfield land.
- Fund land remediation through the ODA for the Olympic Park and ensure the benefit to London of the Olympic Land Legacy extends beyond the Olympic site through the Legacy Masterplan Framework.
- Facilitate the delivery of housing units to support London's future growth and development in the Thames Gateway and other priority regeneration areas (including seeking to achieve a 50 per cent affordable housing target).

Deliver an improved and effective infrastructure to support London's future growth and development

- Enable key projects to progress or unlock the development of land that is currently beyond the market, maximising the quality of design and appropriateness of development on key sites in LDA ownership through procurement, design, joint ventures and project management.

Section 7 – London Development Agency

Deliver healthy, sustainable, high quality communities and urban environments

- Build exemplar projects covering Combined Heat and Power, waste handling facilities and housing and stimulate the private sector to expand and improve the sustainability of the built environment
- Bring forward the development of exemplar low carbon homes and by ensure the minimisation of carbon emissions in new developments.
- Enable home owners to put energy saving measures in place by an expanded green homes service.
- Offer practical information on ways to improve sustainability in design and construction by rolling out the sustainable design and construction toolkit.
- Ensure that Londoners have access to fresh, healthy food.
- Enable organisations to minimise their impact on the environment through the provision of advice and support on green business practices.
- Remediate land that is contaminated, protect and develop wildlife habitat, create green space, waterside access and other amenity.
- Support the implementation of the London Climate Change Action Plan
- Implement an integrated carbon accounting system in the LDA.
- Support the development of infrastructure for the development of sport, in support of the Mayor's strategic role for sport in London, including new sporting and youth facilities, club infrastructure, green spaces and play areas.

Tackle barriers to employment

- Work with partners to implement the London Skills and Employment Strategy developed by the LSEB
- Ensure that Olympic and other capital investments deliver jobs, skills and development opportunities for Londoners.
- Continue to develop and run childcare programme with a focus on improving take-up and impact on employment.
- Continue to build the London Employment and Skills Taskforce (LEST) Action Plan, with partners in line with the emerging findings of the Adult Skills Strategy, maximising the investment in basic skills, including ESOL, to allow disadvantaged Londoners to access the labour market.

Reduce disparities in labour market outcomes between groups

- Provide information and support to employers to enable them to improve their equality and diversity employment and procurement practices, through Diversity Works for London and other initiatives.
- Build the Agency's understanding of the needs of key groups including particular BAME communities, refugees, and ex- offenders and work with community-led organisations to implement outreach and implement worklessness projects targeted at these specific groups.

Section 7 – London Development Agency

- Implement London ESF 2007-13 programme with targets for specific groups.

Address the impacts of concentrations of disadvantage

- Identify geographical areas of specific need and opportunity and drive forward partnership approaches
- Develop a coherent programme of work with appropriate providers and build on the successful locally delivered bespoke services
- Work with partners to realise the vision for the Lower Lea Valley with a focus on creating thriving centres, housing, social infrastructure and employment opportunities to improve economic and social inclusion in the 5 host boroughs and surrounding neighbourhoods.

Address barriers to enterprise start-up, growth and competitiveness

- Rationalise and improve business support programmes, better integrating it with the other LDA programmes and opportunities such as the Olympics
- Offer tailored support to businesses who are owned, run by or employing key target groups.
- Promote the Mayor's Supplier diversity and sustainable procurement initiative, which seeks to ensure the social and environmental implications of procurement choices right through the supply chain are fully taken into account.

Maintain London's position as a key enterprise and trading location

- Run a comprehensive programme of engagement with large employers .
- Support bespoke sub-regional interventions to improve trade and business location, retention and growth.
- Continue to ensure that London businesses have the information and services that they need to assist them to trade abroad.

Improve the skills of the workforce

- Work with the London Skills and Employment Board to:
 - ensure appropriate investment in skills development is made by employers and training providers.
 - promote a culture of learning/training within the workforce and help employers - exploit opportunities for innovation (e.g. intellectual property training).
- Improve links between employers and further education and higher education to increase the relevance of training.
- Work with individuals and employers to promote the provision and uptake of higher level skills where other partners are unable to intervene.
- Expand provision of skills essential for ensuring carbon minimisation.

Maximise the productivity and innovation potential of London's enterprises

- Provide individual firms, in particular those facing specific barriers (including BAME and women-owned enterprises) with specialist and targeted innovation support by enabling them to link up with better generic business support services and resources.

Section 7 – London Development Agency

- Support the networking and clustering of businesses and provide coherent marketing and promotion for London and create a better coordinated innovation environment and encourage collaboration between firms.

Ensure a coherent approach to marketing and promoting London.

- Promote and market London to leisure and business visitors whilst advocating quality improvements to tourism infrastructure and services.
- Host and manage a programme of major events in London.
- Invest in improved skills and practices in the tourism sector
- Develop and implement campaigns and events to support the London brand and promote London's diversity and multiculturalism.
- Use the opportunity the 2012 Olympic and Paralympic Games presents to build relationships with key emerging markets and improve the quality and accessibility of London's tourism accommodation.
- Promote London's commitment to a low carbon environment.
- Work in partnership to look at ways of reducing the impact on the environment of tourism in London.

Explanation of budget changes

- 7.5 The key changes in income and expenditure areas between years and that projected for the following two years for each of the main programme areas are set out in the table overleaf. The changes in 2008-09 relative to 2007-08 can be summarised as follows:

Changes on the LDA's spending plans	2008-09 £m
2007-08 budget requirement	Nil
<i>Changes due to:</i>	
Reductions in programme expenditure	-14.0
Reductions in Olympic spending	-110.0
Increase in programme support	0.3
Increase in grant funding	-0.7
Increase in other income	-3.3
Reduction in prudential borrowing	127.7
2008-09 budget requirement	Nil

- 7.6 The grant settlements for 2009-10 and 2010-11 make reductions to the LDA's core grant, from £389.7m in 2008-09 to £384.6m in 2009-10 and £375.6m in 2010-11.

- 7.7 The key changes in income and expenditure areas between years and that projected for the following two years for each of the main Service Areas are set out in the table overleaf.

Section 7 – London Development Agency

Service analysis	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Revenue expenditure					
Programme Costs	212.3	212.3	204.1	221.7	223.7
Olympic costs –financing	9.2	9.2	19.7	24.9	28.1
Other Revenue Costs	30.1	30.1	29.4	29.6	27.4
Total Revenue Costs	251.6	251.6	253.2	276.2	279.2
Capital Costs					
Olympic Costs	315.8	315.8	195.3	118.1	78.2
Olympic Contingency					100.0
Other	73.0	73.0	68.2	51.3	39.2
Total Capital Costs	388.8	388.8	263.5	169.4	217.4
Total Expenditure	640.4	640.4	516.7	445.6	496.6
Income					
Core government funding	-389.0	-389.0	-389.7	-384.6	-375.6
Capital receipts	-11.8	-11.8	-34.5	-	-11.9
Repayment of grant swap	16.9	16.9	28.1	-	-
Project specific income	-25.2	-25.2	-17.0	-18.0	-14.7
Borrowing	-231.3	-231.3	-103.6	-43.0	-94.4
Total Income	640.4	640.4	516.7	445.6	496.6
Budget requirement	Nil	Nil	Nil	Nil	Nil

Section 7 – London Development Agency

7.8 An analysis of expenditure by programme is as follows:

Programme analysis	Budget 2007-08 £m	Forecast 2007-08 £m	Budget 2008-09 £m	Plan 2009-10 £m	Plan 2010-11 £m
Support the delivery of the London Plan	17.2	17.2	13.8	12.4	10.6
Deliver an improved and effective infrastructure	33.5	33.5	33.8	31.2	27.6
Healthy sustainable high quality communities and urban environments	27.6	27.6	29.0	31.4	33.7
Tackle barriers to employment	40.7	40.7	43.4	45.7	46.9
Reduce disparities in the labour market	15.7	15.7	19.7	22.4	21.0
Address impacts of concentration of disadvantage	7.6	7.6	7.5	7.90	8.2
Address barriers to enterprise start up, growth and competitiveness	52.2	52.2	44.0	39.6	33.8
Maintain London's position as key enterprise and trading location	13.3	13.3	12.2	12.7	10.9
Improve the skills of the workforce	12.3	12.3	5.2	6.2	6.5
Maximise the productivity and innovation potential of London's enterprises	30.0	30.0	26.0	26.0	26.2
Marketing and promoting London	35.1	35.1	36.7	36.5	36.5
Olympic Legacy	315.8	315.8	195.3	118.1	178.2
Total Programmes	601.1	601.1	466.6	390.0	440.1
Interest – Olympic Financing	9.2	9.2	19.7	24.9	28.1
Policy and Programme Support	28.1	28.1	27.4	26.7	25.4
Contingency	2.0	2.0	3.0	4.0	3.0
Total Expenditure	640.4	640.4	516.7	445.6	496.6

Note: The 2008-09 budget reflects a major redefinition of the LDA's expenditure programmes as compared to 2007-08. Consequently although it is possible to present the overall 2007-08 budget in a way that is compatible with 2008-09, the forecast figures are not available in the new analysis.

7.9 Policy and Programme Support covers the Agency's staffing and running costs, with those staff costs relating to programme development and delivery recharged to the appropriate programme.

Section 7 – London Development Agency

- 7.10 In addition to the above analysis, the LDA manages European Social Fund and European Regional Development Funds. These are matched funding programmes which run for 7 years from 2007, totalling £330m and £120m respectively.

Capital Programme

- 7.11 The expenditure analysis above includes planned capital expenditure. An analysis of capital expenditure is included in Section 9. Capital spending for 2008-09 is £263.5m including £195.3m for 2012 Olympic and Paralympic Games capital spending.

Savings and efficiencies

- 7.12 The Core grant to the LDA has been increased only marginally in 2008-09 (from £389.0m to £389.7m). Grant levels are scheduled to be reduced in the following 2 years (to £384.6m and £375.6m). Over the three years the real terms reduction is, assuming inflation at 2.5 per cent, approximately 11 per cent. The LDA has been undertaking an internal review to identify opportunities for administrative efficiencies in the coming financial year. As a result, a programme of efficiency savings will be presented to the LDA Board in February 2008. The Agency has also established an Improvement Programme designed to identify further administrative efficiencies in future years through the fundamental review of administrative processes and the scope for improvement or rationalisation.
- 7.13 Within this figure the Government are requiring the LDA, like other RDAs, to reduce their administration budgets, which includes Policy and programme support costs and staff recharges to programmes. The reductions required by Government are £3.1m in 2008-09, £2.4m in 2009-10 and £3.2m in 2010-11. The LDA has not yet agreed the detail of these reductions.

Reserves

- 7.14 The LDA is constrained by the rules attached to its grant on the income streams that can be used to fund reserves. The Department for Business, Enterprise and Regulatory Reform requires the retention of a £2m contingency fund for 2008-09 from within the grant allocation to replace the central contingency that was previously held by the DTI for all RDAs. The LDA has determined that it needs to provide for a further contingency of £1m on top of this requirement in 2008-09 against the potential costs of reorganisation to deliver future efficiency targets.

Section 8 – Council tax information

Consolidated budget requirement

- 8.1 The budget estimates set out in Sections 2 to 7 provide for a consolidated budget requirement for 2008-09 of £3,148.6m (£3,061.8m in 2007-08).

Budget requirements	2007-08	2008-09
	£m	£m
Metropolitan Police Authority	2,532.7	2,595.0
London Fire and Emergency Planning Authority	391.5	405.1
Greater London Authority	125.6	136.5
Transport for London	12.0	12.0
London Development Agency	-	-
Total	3,061.8	3,148.6

General government funding

- 8.2 This requirement will be met in part by government grants and non-domestic rates.

Government grants	2007-08	2008-09
	£m	£m
Non – Domestic Rates	951.8	995.2
Revenue Support Grant	159.7	138.5
Police Grant	1,026.7	1,053.3
General GLA Grant	38.3	48.0
Total	2,176.5	2,235.0

- 8.3 The difference between the consolidated budget requirement and government funding, after taking account of any surpluses on borough collection funds, represents the amount to be raised from council tax payers by issuing precepts on the City and the London boroughs.

Council tax for police services

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

Council tax for police services	2007-08	2008-09
	£m	£m
MPA budget requirement	2,532.7	2,595.0
General government funding	-1,883.7	-1,930.0
Amount for police services	649.0	665.0

- 8.5 This is equivalent to a band D council tax of **£227** for 2008-09 in the London boroughs (£224 in 2007-08).

Section 8 – Council tax information

Council tax for other services

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

Council tax for other services	2007-08 £m	2008-09 £m
GLA, TfL, and LFEPA budget requirements	529.1	553.6
General government funding	-292.8	-305.0
Share of borough net collection fund surplus	-2.8	-
Amount for other services	233.5	248.6

8.7 This is equivalent to a band D council tax of **£83** for 2008-09 in the City and the London boroughs (£80 in 2007-08).

Funding analysis by body

8.8 There are two sets of council tax calculations because the Metropolitan Police District does not include the City. 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 below.

Budget requirement

	Gross expenditure £m	Specific grants £m	Other income £m	Net expenditure £m	Reserves £m	Budget requirement £m
Metropolitan Police Authority	3,510.8	-613.6	-302.2	2,595.0	-	2,595.0
London Fire and Emergency Planning Authority	453.4	-8.3	-19.8	425.3	-20.2	405.1
Greater London Authority	153.7	-0.6	-15.3	137.8	-1.3	136.5
Transport for London	6,821.0	-2,649.0	-3,547.0	625.0	-613.0	12.0
London Development Agency	406.7	-389.7	-17.0	-	-	Nil
Total Other Services	7,834.8	-3,047.6	-3,599.1	1,188.1	-634.5	553.6
Total GLA Group	11,345.6	-3,661.2	-3,901.3	3,783.1	-634.5	3,148.6

Note: The above table excludes TfL and LDA capital expenditure included within the budget proposals contained in sections 5 and 7.

External financing

	Total to be financed £m	Police Grant £m	General GLA Grant £m	RSG/ NDR £m	Council Tax income £m	Band D Amount £
Metropolitan Police Authority	2,595.0	-1,053.3	-	-876.7	665.0	227.02
London Fire and Emergency Planning Authority	405.1	-	-	-257.0	148.1	50.46
Greater London Authority	136.5	-	-48.0	-	88.5	30.15
Transport for London	12.0	-	-	-	12.0	4.09
London Development Agency	-	-	-	-	-	Nil
Collection fund surplus	-5.6	-	-	-	-5.6	-1.90
Total Other Services	548.0	-	-48.0	-257.0	243.0	82.80
Total GLA Group	3,143.0	-1,053.3	-48.0	-1,133.7	908.0	309.82

2007-08 band D amount: £303.88

Section 8 – Council tax information

2008-09 GLA council tax levels

- 8.9 The overall percentage increase in the GLA council tax precept is 2.0 per cent and the increase attributable to each constituent body is set out below:

Increase in Band D amounts	2008-09	2007-08	Annual increase	Weekly increase
Metropolitan Police Authority	£227.02	£223.60	£3.42	7p
London Fire & Emergency Planning Authority	£50.46	£47.12	£3.34	6p
Greater London Authority	£30.15	£30.00	£0.15	-
Transport for London	£4.09	£4.13	-£0.04	-
London Development Agency	£0.00	£0.00	£0.00	-
Surplus on Borough collection funds	-£1.90	-£0.97	-£0.93	-2p
Total GLA group	£309.82	£303.88	£5.94	11p

- 8.10 The amounts of council tax for different valuation bands are shown below:

For London boroughs (excluding the City of London)

Band	2008-09	2007-08	Annual increase	Weekly increase
Band A	206.55	£202.59	£3.96	8p
Band B	240.97	£236.35	£4.62	9p
Band C	275.40	£270.12	£5.28	10p
Band D	£309.82	£303.88	£5.94	11p
Band E	378.67	£371.41	£7.26	14p
Band F	447.52	£438.94	£8.58	17p
Band G	516.37	£506.47	£9.90	19p
Band H	619.64	£607.76	£11.88	23p

For the City of London

Band	2008-09	2007-08	Annual increase	Weekly increase
Band A	£55.20	£53.52	£1.68	3p
Band B	£64.40	£62.44	£1.96	4p
Band C	£73.60	£71.36	£2.24	4p
Band D	£82.80	£80.28	£2.52	5p
Band E	£101.20	£98.12	£3.08	6p
Band F	£119.60	£115.96	£3.64	7p
Band G	£138.00	£133.80	£4.20	8p
Band H	£165.60	£160.56	£5.04	10p

Section 8 – Council tax information

2012 Olympic and Paralympic Games

- 8.11 All of the above figures include the GLA's financial contribution to the Public Sector Funding Agreement and the band D amount remains at £20. There are no net additional amounts in the component budget requirements for the MPA, LFEPA, TfL and LDA.

Olympics: each council tax band	Annual Amount	Weekly Amount
Band A	£13.33	26p
Band B	£15.56	30p
Band C	£17.78	34p
Band D	£20.00	38p
Band E	£24.44	47p
Band F	£28.89	56p
Band G	£33.33	64p
Band H	£40.00	77p

- 8.12 The GLA budget does include £0.7 million for staff and programmes to ensure that, in preparing for the Games, the Mayor's strategies and priorities are delivered to create lasting legacy benefits for communities and businesses both in east London and right across the capital, and to assist the Mayor in meeting his obligations under the Host City contract. This is a limited sum – equivalent to a Band D council tax contribution of less than a halfpenny a week – and covers activities much wider than those covered by the agreement with Government on funding the Games.

Metropolitan Police Authority

Metropolitan Police Authority ("MPA") component budget requirement calculations

Line	Sum	Description
(1)	£3,510,800,000	estimated expenditure of the MPA calculated in accordance with s85(4)(a) of the Act
(2)	£0	estimated allowance for contingencies for the MPA under s85(4)(b) of the Act
(3)	£0	estimated reserves to be raised for meeting future expenditure of the MPA under s85(4)(c) of the Act
(4)	£0	estimate of reserves to meet a revenue account deficit of the MPA under s85(4)(d) of the Act
(5)	£3,510,800,000	aggregate of the amounts for the items set out in s85(4) of the Act for the MPA (lines (1) + (2) + (3) + (4) above)
(6)	-£915,800,000	estimate of MPA's income calculated in accordance with s85(5)(a) of the Act
(7)	£0	estimate of MPA's reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the Act
(8)	-£915,800,000	aggregate of the amounts for the items set out in section 85(5) of the Act for the MPA (lines (6) + (7))
(9)	£2,595,000,000	the component budget requirement for MPA (being the amount by which the aggregate at (5) above exceeds the aggregate at (8) above calculated in accordance with section 85(6) of the Act)

The component budget requirement for the MPA for 2008-09 is £2,595,000,000.

London Fire and Emergency Planning Authority

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

Line	Sum	Description
(10)	£453,400,000	estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the Act
(11)	£0	Estimated allowance for contingencies for LFEPA under s85(4)(b) of the Act
(12)	£0	estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the Act
(13)	£0	estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the Act
(14)	£453,400,000	aggregate of the amounts for the items set out in s85(4) of the Act for LFEPA (lines (10) + (11) + (12) + (13) above)
(15)	-£28,100,000	estimate of LFEPA's income calculated in accordance with s85(5)(a) of the Act
(16)	-£20,200,000	estimate of LFEPA's reserves to be used in meeting amounts in lines (10) and (11) above under s85(5)(b) of the Act
(17)	-£48,300,000	aggregate of the amounts for the items set out in section 85(5) of the Act for LFEPA (lines (15) + (16))
(18)	£405,100,000	the component budget requirement for LFEPA (being the amount by which the aggregate at (14) above exceeds the aggregate at (17) above calculated in accordance with section 85(6) of the Act)

The component budget requirement for LFEPA for 2008-09 is £ 405,100,000.

Greater London Authority: Mayor of London

Greater London Authority: Mayor of London ("Mayor") component budget requirement calculations

Line	Sum	Description
(19)	£144,800,000	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the Act
(20)	£200,000	estimated allowance for contingencies for the Mayor under s85(4)(b) of the Act
(21)	£8,400,000	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the Act
(22)	£0	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the Act
(23)	£153,400,000	aggregate of the amounts for the items set out in s85(4) of the Act for the Mayor (lines (19) + (20) + (21) + (22) above)
(24)	-£15,900,000	estimate of the Mayor's income calculated in accordance with s85(5)(a) of the Act
(25)	-£9,700,000	estimate of Mayor's reserves to be used in meeting amounts in lines (19) and (20) above under s85(5)(b) of the Act
(26)	-£25,600,000	aggregate of the amounts for the items set out in section 85(5) of the Act for the Mayor (lines (24) + (25))
(27)	£127,800,000	the component budget requirement for the Mayor (being the amount by which the aggregate at (23) above exceeds the aggregate at (26) above calculated in accordance with section 85(6) of the Act)

The component budget requirement for the Mayor for 2008-09 is £127,800,000.

Transport for London

Transport for London ("TfL") component budget requirement calculations

Line	Sum	Description
(28)	£6,793,000,000	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the Act
(29)	£28,000,000	estimated allowance for contingencies for TfL under s85(4)(b) of the Act
(30)	£0	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the Act
(31)	£0	estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the Act
(32)	£6,821,000,000	aggregate of the amounts for the items set out in s85(4) of the Act for the TfL (lines (28) + (29) + (30) + (31) above)
(33)	-£6,196,000,000	estimate of TfL income calculated in accordance with s85(5)(a) of the Act
(34)	-£613,000,000	estimate of TfL's reserves to be used in meeting amounts in lines (28) and (29) above under s85(5)(b) of the Act
(35)	-£6,809,000,000	aggregate of the amounts for the items set out in section 85(5) of the Act for TfL (lines (33) + (34))
(36)	£12,000,000	the component budget requirement for TfL (being the amount by which the aggregate at (32) above exceeds the aggregate at (35) above calculated in accordance with section 85(6) of the Act)

The component budget requirement for TfL for 2008-09 is £12,000,000.

Greater London Authority: London Assembly

Greater London Authority: London Assembly ("Assembly") component budget requirement calculations

Line	Sum	Description
(37)	£8,700,000	estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the Act
(38)	£0	estimated allowance for contingencies for the Assembly under s85(4)(b) of the Act
(39)	£0	estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the Act
(40)	£0	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the Act
(41)	£8,700,000	aggregate of the amounts for the items set out in s85(4) of the Act for the Assembly (lines (37) + (38) + (39) + (40) above)
(42)	£0	estimate of the Assembly's income calculated in accordance with s85(5)(a) of the Act
(43)	£0	estimate of Assembly's reserves to be used in meeting amounts in lines (37) and (38) above under s85(5)(b) of the Act
(44)	£0	aggregate of the amounts for the items set out in section 85(5) of the Act for the Assembly (lines (42) + (43))
(45)	£8,700,000	the component budget requirement for the Assembly (being the amount by which the aggregate at (41) above exceeds the aggregate at (44) above calculated in accordance with section 85(6) of the Act)

The component budget requirement for the Assembly for 2008-09 is £8,700,000.

London Development Agency

London Development Agency ("LDA") component budget requirement calculations

Line	Sum	Description
(46)	£403,700,000	estimated expenditure of the LDA for the year calculated in accordance with s85(4)(a) of the Act
(47)	£3,000,000	estimated allowance for contingencies for the LDA under s85(4)(b) of the Act
(48)	£0	estimated reserves to be raised for meeting future expenditure of the LDA under s85(4)(c) of the Act
(49)	£0	estimate of reserves to meet a revenue account deficit of the LDA under s85(4)(d) of the Act
(50)	£406,700,000	aggregate of the amounts for the items set out in s85(4) of the Act for the LDA (lines (46) + (47) + (48) + (49) above)
(51)	-£406,700,000	estimate of the LDA income calculated in accordance with s85(5)(a) of the Act
(52)	£0	estimate of the LDA's reserves to be used in meeting amounts in lines (46) and (47) above under s85(5)(b) of the Act
(53)	-£406,700,000	aggregate of the amounts for the items set out in section 85(5) of the Act for the LDA (lines (51) + (52))
(54)	£0	the component budget requirement for the LDA (being the amount by which the aggregate at (50) above exceeds the aggregate at (53) above calculated in accordance with section 85(6) of the Act)

The component budget requirement for the LDA for 2008-09 is £0.

Consolidated budget requirement

Greater London Authority ("GLA) consolidated budget requirement calculation

Line		Description
(55)	£3,148,600,000	the GLA's consolidated budget requirement (the sum of the amounts in lines (9) + (18) + (27) + (36) + (45) + (54)) calculated in accordance with section 85(8) of the Act

The consolidated budget requirement for the GLA for 2008-09 is £3,148,600,000.

Summary

Summary of consolidated budget 2008-09

£	MPA	LFEP A	GLA: Mayor	TfL	GLA: Assembly	LDA	Total
Estimated expenditure	3,510,800,000	453,400,000	144,800,000	6,793,000,000	8,700,000	403,700,000	11,314,400,000
Estimated allowance for contingencies	-	-	200,000	28,000,000	-	3,000,000	31,200,000
Estimated reserves to be raised for meeting future expenditure	-	-	8,400,000	-	-	-	8,400,000
Estimate of reserves to meet a revenue account deficit	-	-	-	-	-	-	-
Estimated total expenditure	3,510,800,000	453,400,000	153,400,000	6,821,000,000	8,700,000	406,700,000	11,354,000,000
Estimate of income	-915,800,000	-28,100,000	-15,900,000	-6,196,000,000	-	-406,700,000	-7,562,500,000
Estimate of reserves to be used	-	-20,200,000	-9,700,000	-613,000,000	-	-	-642,900,000
Estimated total income	-915,800,000	-48,300,000	-25,600,000	-6,809,000,000	-	-406,700,000	-8,205,400,000
Budget requirement	2,595,000,000	405,100,000	127,800,000	12,000,000	8,700,000	-	3,148,600,000

Other formats and languages

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Chinese

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Vietnamese

Nếu bạn muốn có bản tài liệu này bằng ngôn ngữ của mình, hãy liên hệ theo số điện thoại hoặc địa chỉ dưới đây.

Greek

Αν θέλετε να αποκτήσετε αντίγραφο του παρόντος εγγράφου στη δική σας γλώσσα, παρακαλείστε να επικοινωνήσετε τηλεφωνικά στον αριθμό αυτό ή ταχυδρομικά στην παρακάτω διεύθυνση.

Turkish

Bu belgenin kendi dilinizde hazırlanmış bir nüshasını edinmek için, lütfen aşağıdaki telefon numarasını arayınız.

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Hindi

यदि आप इस दस्तावेज की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नंबर पर फोन करें अथवा नीचे दिये गये पते पर संपर्क करें

Bengali

আপনি যদি আপনার ভাষায় এই মঙ্গিলের প্রতিলিপি (কপি) চান, তা হলে নীচের ফোন নম্বরে বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے ہیں، تو براہ کرم نیچے دئے گئے نمبر پر فون کریں یا دیئے گئے پتے پر رابطہ کریں

Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى الاتصال برقم الهاتف أو مراسلة العنوان أدناه

Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

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