

MAYOR OF LONDON

The Mayor of London's Capital Spending Plan for 2012-13

February 2012

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Section 1: Statutory capital spending plan

Background

- 1.1 The Mayor is required, under section 122 of the Greater London Authority (GLA) Act 1999 (the 'GLA Act'), each financial year to prepare a capital spending plan for each functional body of the GLA Group which for 2012-13 will be: the Mayor's Office for Policing and Crime (MOPC); the London Fire and Emergency Planning Authority (LFEPA) and Transport for London (TfL). For completeness the capital spending plans for the Olympic Park Legacy Company (OPLC) – which is expected to become a Mayoral Development Corporation on 1 April – and the core Greater London Authority's expenditure are also included within this final plan so that the proposed capital expenditure for the entire GLA group – as it is expected to be constituted in 2012-13 – is presented in one place.
- 1.2 The statutory procedure under section 123 of the GLA Act requires the Mayor to send a copy of the draft plan to the London Assembly and each of the functional bodies before 15 January each year, inviting them to submit written comments to him within 21 days. The draft capital spending plan was included in section 10 of the Mayor's consultation document on his draft consolidated budget which was issued on 21 December 2011 and the statutory consultation requirement was met as part of that process. An amended version of the capital spending plan for GLA alongside a minor presentational change for MOPC was reflected in the Mayor's final draft consolidated document presented to the London Assembly on 9 February which was approved unamended. This final capital spending plan is consistent with the capital spending plan expenditure figures included in the final draft consolidated budget although the proposed financing of the TfL plan has been updated to reflect the latest position. Minor changes have also been made in relation to the LFEPA plan.
- 1.3 Before approving this final capital spending plan, the Mayor considers any comments submitted as part of the budget consultation process and makes such revisions as he sees fit, having had regard to the responses made. The plan has to be sent to the Secretary of State (DCLG) before 28 February and copies sent to the Assembly and the functional bodies.

Capital spending plan

- 1.4 The format of the capital spending plan and its contents are set out in section 122 of the GLA Act 1999, as amended by the Local Government Act 2003. The plan is to be in four sections, which the Act describes in some detail. The four parts can be categorised as follows:

Section A – a statement of the resources each functional body will have for capital expenditure by virtue of capital grants and capital receipts.

Section B – a statement of the resources each functional body will have for capital expenditure by virtue of borrowing.

Section 1: Statutory capital spending plan

Section C – a statement for each functional body of total expenditure for capital purposes that the Mayor expects the body to incur and the total amounts which the Mayor expects to be treated as borrowing in the year.

Section D – a breakdown of this total capital spending showing how much the Mayor expects the body to meet out of capital grants; its capital receipts; amounts to be met from borrowing; and how much out of revenue.

- 1.5 The table below sets out the Mayor's statutory capital spending plan for 2012-13 which totals £5.2 billion. This includes the spending plans for the OPLC and GLA for completeness although they are not required to be included under section 122 of the GLA Act.

Table 1 – Final Statutory Capital Spending Plan 2012-13

Section		MOPC £m	LFEPa £m	TfL £m	OPLC	GLA £m
A	Total external capital grants	61.4	0.0	376.0	160.1	745.0
	Opening balance of capital receipts	6.0	0.0	0.0	0.0	19.5
	Total capital receipts during the year	40.0	0.0	159.0	0.0	25.9
	Total external capital grants/ receipts	107.4	0.0	535.0	160.1	790.4
B	Minimum s.120(1) grant	0.0	0.0	0.0	0.0	0.0
	Total borrowings during the year	58.0	5.3	425.0	0.0	733.8
	Total borrowings in the form of credit Arrangements entered into or varied	0.0	0.0	0.0	0.0	0.0
	Total borrowings and credit arrangements	58.0	5.3	425.0	0.0	733.8
C	Total capital expenditure anticipated during the year	170.9	12.8	3,209.0	161.4	1,621.3
	Total credit arrangements anticipated during the year	0.0	0.0	0.0	0.0	0.0
	Total capital spending for the year	170.9	12.8	3,209.0	161.4	1,621.3
D	Funding: capital grants	61.4	7.5	376.0	160.1	745.0
	Funding: capital receipts/reserves	46.0	0.0	159.0	0.0	23.5
	Funding: borrowings and credit arrangements	58.0	5.3	425.0	0.0	733.8
	Funding: revenue contributions	5.5	0.0	2,249.0	1.3	119.0
	Total funding	170.9	12.8	3,209.0	161.4	1,621.3

Section 1: Statutory capital spending plan

- 1.6 Although the statutory capital spending plan has to be approved by the Mayor, each body is responsible for preparing and approving its own detailed capital spending programme. The following sections provide a breakdown of the three functional bodies' proposed programmes along with those of the OPLC and the core GLA.
- 1.7 The Mayor will also approve the borrowing limits and prudential indicators for 2012-13 for each functional body as part of a separate Mayoral Decision in March 2012. The limits and indicators agreed will have regard to the capital spending plans set out in this document.
- 1.8 Please note that some of the tables in this capital spending plan may not sum exactly due to rounding.

Section 2: Mayor's Office for Policing and Crime

- 2.1 The Mayor's Office for Policing and Crime (MOPC) was created on 16 January 2012 in place of the former Metropolitan Police Authority (MPA) which was abolished from that date. The MOPC's capital spending plan reflects the approved MPA Capital Strategy which focuses on the:
- Need to meet statutory requirements, or those resulting from a public enquiry;
 - Compliance with health and safety enforcement notices;
 - Essential replacement or upgrade of core infrastructure upon which other elements of the investment programme depend;
 - Impact on delivery of strategic objectives;
 - Continuation or completion of projects where significant investment is already committed or where there is already a contractual commitment;
 - Delivery of significant capital or revenue savings;
 - Delivery of projects which demonstrate a significant return on investment; and
 - Delivery of business benefits with particular emphasis on performance improvement.
- 2.2 The Strategy is supported by individual property, information technology and transport strategic plans, as well as asset management programmes. Funding sources for the capital spending plan comprise Government grants, third party contributions, reserves, capital receipts, revenue contributions, other third party income and borrowing.
- 2.3 In preparing the draft capital programme 2012-13 to 2018-19 it has been necessary to:
- Recognise the committed schemes delayed or slipping from 2011-12, expected to carry their 2011-12 funding with them into 2012-13;
 - Give due consideration to those projects that have specific funding sources e.g. specific grants, third party contributions, major change programmes, revenue contributions and earmarked reserves; and
 - Consider the organisational priority and timeliness of specific projects with obligations on delivery times. e.g. Olympics preparation will have concluded.
- 2.4 The capital programme has in part been funded each financial year by the generation of capital receipts from the disposal of redundant or obsolete property and other tangible capital assets. The downturn in the property market has resulted in a reduction in the level of capital receipts that become available. This coupled with the reduction in Home Office police capital grant and lower levels of revenue funds to bolster capital investment will adversely affect the size of the capital programme moving forward. However, specific funds will continue to be made available to support counter-terrorism initiatives, and up to 2012-13 monies will be provided to purchase assets to support the policing of the 2012 Games. It is also expected that third party contributions will continue to be received for certain named projects.
- 2.5 For 2012-13 the final capital spending plan totals £191.7m, with an over-programming limit of £20.8m – equivalent to around 10 per cent of planned expenditure. For 2013-14 the proposed programme is £178.2m with an over-programming limit of £47.8m and for 2014-15 the proposed programme is £154.9m with £36.6m of overprogramming.

Section 2: Mayor's Office for Policing and Crime

- 2.6 The capital programme has been built upon the MOPC being able to afford £58m of borrowing in 2012-13 and in both 2013-14 and 2014-15 to support capital investment. This level of borrowing has been determined in accordance with the indicators set down within the Prudential (Code) borrowing framework. Borrowing is presently constrained by the Mayor's borrowing limits for the GLA Group as a whole, and the resultant capital financing charges and their impact on the revenue budget.
- 2.7 It has also been agreed that capital reserves will be used in 2012-13 to enable core infrastructure projects to be delivered. This results, with the forecast borrowing, in the planned expenditure level of £170.9m (net of £20.8m of overprogramming).
- 2.8 The element of over-programming amounting to £20.8m in 2012-13, £47.8m in 2013-14 and £36.6m in 2014-15 has been incorporated into the plan to enable dynamic management of the capital programme. Processes are being strengthened to enable projects to be fast tracked when others are delayed; thereby making best use of available finances while ensuring expenditure is contained within the approved budget. Steps will be taken to ensure that delivery and timing issues are addressed with the objective of improving the capacity levels of the provisioning departments.
- 2.9 Work continues on achieving the best match between investment needs and strategic objectives, with proposals for increasing capacity being assessed. However, concern over capital receipts and borrowing levels has meant that affordability of the programme in general terms, as well as its impact on the medium term budget has been a critical consideration. A review of the MOPC's asset disposal and borrowing policies is being undertaken to ascertain the opportunities for expanding the capital programme to meet the underlying demand for investment. The scope for securing other external funding is also being explored.
- 2.10 The MOPC capital excludes plans for the redevelopment of the Hendon police college training centre which is aiming to be self financing but will require medium term borrowing during planned construction to be repaid by capital receipts. In modelling a programme there is recognition of the high level of commitment to expenditure in future years, as a result of projects underway or planned to commence in the latter part of 2011-12. This significantly restricts the funding available for new initiatives.

Section 2: Mayor's Office for Policing and Crime

- 2.11 Table 2 below summarises the current implications of the proposed capital programme and spending plans against likely funding sources including affordable borrowing levels.

Table 2 – MOPC Capital expenditure by operational business group

MOPC capital plan	Proposed Budget 2012-13 £m	Proposed Plan 2013-14 £m	Proposed Plan 2014-15 £m
Business Group			
Territorial Policing	31.6	2.6	-
Specialist Crime Directorate	0.2	0.2	-
Specialist Operations - Counter Terrorism	7.5	6.4	-
Specialist Operations - General	7.2	-	-
Central Operations - Olympics	0.2	-	-
Central Operations - General	0.4	0.3	1.1
Directorate of Resources - Property Services	7.6	2.1	-
Directorate of Resources - Other	0.5	-	-
Directorate of Information - Infrastructure	1.5	2.0	0.5
Directorate of Information - General	-	-	-
Human Resources	-	-	-
All Business Groups - Corporate	135.0	164.6	153.3
Total	191.7	178.2	154.9
Less overprogramming	-20.8	-47.8	-36.6
Grand Total	170.9	130.4	118.3
Funding:			
Capital receipts	-40.0	-40.0	-40.0
Prudential Borrowing	-58.0	-58.0	-58.0
Capital reserves	-6.0	-	-
Capital grants & other contributions	-61.4	-31.2	-19.8
Revenue contributions	-5.5	-1.2	-0.5
Total funding	-170.9	-130.4	-118.3

- 2.12 The impact of changes to 2012-13 and 2013-14 compared to last year's capital spending plan are summarised below

Table 3 – Year on Year Changes to MOPC Spending Plans Previously Agreed by Mayor in the 2011-12 Capital Spending Plan

Changes in Capital Spending Plan	2012-13 £m	2013-14 £m	2014-15 £m
Net changes to capital spending plan	6.3	4.2	10.1
Total	6.3	4.2	10.1

Section 2: Mayor's Office for Policing and Crime

- 2.13 The financing costs in the revenue budget relate to Minimum Revenue Provision and external interest payments as shown in the table below.

Table 4 – MOPC Capital financing costs

MOPC Capital financing costs	Budget 2012-13 £m	Plan 2013-14 £m	Plan 2014-15 £m
Minimum revenue provision	24.9	26.9	28.8
External interest charges	16.1	18.4	20.7
Total financing costs	41.0	45.3	49.5

- 2.14 The estimated incremental impact of the capital investment decisions on the council tax for MOPC are set out below:

Table 5 – Incremental impact on council tax of capital investment decisions (£ per band D property)

MOPC Council tax impact	Proposed 2012-13	Proposed 2013-14	Proposed 2014-15
Incremental impact	0.51	0.05	1.74

Section 3: London Fire and Emergency Planning Authority

- 3.1 The London Fire and Emergency Planning Authority's (LFEPA) capital programme has been developed to support achievement of its overall objective of making London a safer city. Overall, the projected capital expenditure at this stage for the Authority in 2012-13 amounts to £12.8m.
- 3.2 The current planned programme is dependent upon the available funding which in turn will depend to a large extent upon the value and timing of capital receipts and the availability of revenue and external grant funding. Prudential borrowing for 2012-13 is £5.3m. Pending confirmation of future capital funding for 2013-14 onwards it is assumed at this stage that the programme in 2013-14 will be primarily financed from borrowing.
- 3.3 LFEPA's final capital plan for 2012-13 is summarised below and set against likely funding sources.

Table 6 - LFEPA Final Capital Plan

LFEPA capital plan	Budget	Plan	Plan
	2012-13	2013-14	2014-15
	£m	£m	£m
IT projects	0.7	0.5	1.3
Community fire safety	0.0	0.0	0.0
New Respiratory Protection Equipment	0.0	0.0	0.0
Resilience projects	0.2	0.0	0.0
Refurbishment of fire stations	5.7	7.7	8.1
Extensions of fire stations	0.3	0.0	0.0
New/Replacement fire stations		0.0	0.0
London Safety Plan	0.2	0.0	0.0
Other property projects	0.8	2.2	1.6
Sustainability projects	1.6	0.6	0.6
Minor improvements programme	1.0	1.0	1.0
Other projects	2.3	2.5	1.3
Total project spend	12.8	14.6	13.9
Less Over-programming	0.0	0.0	0.0
Total capital expenditure	0.0	14.6	13.9
Funding:			
Capital receipts	0.0	0.0	0.0
Borrowing	-5.3	-14.6	-13.9
Capital grants	-7.5	0.0	0.0
Total funding	-12.8	-14.6	-13.9

Section 3: London Fire and Emergency Planning Authority

- 3.4 The financing costs in the revenue budget relate to Minimum Revenue Provision and payments on capital expenditure as shown in the table below.

Table 7 – Capital financing costs

LFEPA Capital financing costs	2012-13	2013-14	2014-15
	£m	£m	£m
Minimum revenue provision & external interest	11.0	11.0	10.9
Total financing costs	11.0	11.0	10.9

- 3.5 The estimated incremental impact of capital investment decisions on the council tax is set out below:

Table 8 – Incremental impact on council tax of capital investment decisions (£ per band D)

LFEPA Council tax impact	Proposed	Proposed	Proposed
	2012-13	2013-14	2014-15
	£	£	£
Incremental impact	0.04	0.00	0.00

Section 4: Transport for London

- 4.1 Transport for London issued a revised Business Plan in March 2011, which took into account the impact of its funding settlement over the four years covered by the Spending Review. The capital spending plan is consistent with this albeit updated for developments during 2011.
- 4.2 TfL's capital spending is financed from six main sources:
- Fares and ticket income;
 - Charges under the Congestion Charging Scheme;
 - Secondary revenue (such as advertising and property rentals);
 - Third party funding for specific projects, such as ODA funding for the North London Railway Improvement Project and the GLA's contributions (financed by a business rate supplement) for Crossrail;
 - Department for Transport grant, with which Transport for London (TfL) has a settlement for the period to 2014-15 which includes support for Crossrail; and
 - Prudential borrowing and related financing (including bond issuances).
- 4.3 The Plan is balanced as income from fares and charges, together with government grant, secondary income, available reserves and borrowing fully meet the costs of operations and the Investment Programme including funding for Crossrail.
- 4.4 TfL expects to spend £3.2bn on capital projects in 2012-13 (including Crossrail). These will be funded from a variety of sources including Government grants, revenue contributions, borrowing, third party contributions (including £819m from the GLA financed through the Crossrail business rate supplement and borrowing) and transfers from earmarked reserves. The planned borrowing is both affordable and sustainable. Overall levels of borrowing planned are well within the levels found in the rest of Europe, and debt service ratios would be within the average level for similar rated transport entities.
- 4.5 The published TfL Business Plan includes Crossrail on the basis of the TfL cash commitment to funding the Crossrail project. The table below includes the capital expenditure to be incurred in relation to Crossrail.

Section 4: Transport for London

Table 9 - TfL Final Capital Spending Plan

TfL Capital spending plan	Budget 2012-13 £m	Plan 2013-14 £m	Plan 2014-15 £m
London Underground/Tube Lines	1,446	1,540	1,462
London Rail	73	16	-7
Surface Transport	200	220	265
Corporate	125	81	37
Crossrail	1,366	1,425	1,891
Total capital expenditure	3,209	3,282	3,647
Funding:			
Capital receipts	-159	-164	-86
Capital grant	-376	-184	0
Borrowing	-425	-319	-379
Revenue contributions (including Crossrail funding, use of reserves and third party contributions)	-2,249	-2,615	-3,183
Total funding	-3,209	-3,282	-3,647

Note: The figures in this table may not reconcile to the details in the following tables due to overprogramming.

- 4.6 TfL's capital programme will require new borrowing of some £425m for 2012-13, £319m in 2013-14 and £379m in 2014-15. The debt servicing costs are set out below.

Table 10 Capital Financing Costs

TfL Capital financing	Budget 2012-13 £m	Plan 2013-14 £m	Plan 2014-15 £m
Debt Servicing costs	312	340	365
Total financing costs	312	340	365

Section 4: Transport for London

London Underground and Tube Lines

4.7 Capital projects directly managed by London Underground and Tube Lines are shown in the table below:

Table 11

LUL/Tube Lines Capital Spending Plan	Budget 2012-13 £m	Plan 2013-14 £m	Plan 2014-15 £m
Stations	335	385	384
Power	126	107	91
Track	179	216	203
Civils	35	14	13
Lifts and escalators	17	31	29
Sub-surface railway upgrade	545	572	532
Jubilee/Northern/Piccadilly line upgrades	149	145	156
Bakerloo/Central/Victoria line upgrades	49	62	31
Infrastructure Management	9	7	3
Other (including over-programming)	2	1	20
Total capital expenditure	1,446	1,540	1,462

¹These are the directly attributable costs which exclude power, enabling works and risk.

Surface Transport

4.8 Capital projects directly managed by Surface Transport are shown in the table below:

Table 12

Surface Transport Capital Spending Plan	Budget 2012-13 £m	Plan 2013-14 £m	Plan 2014-15 £m
Better Routes and Places	31	31	26
Countdown and iBus	7	0	0
Bus infrastructure	5	5	4
Cycle hire	10	1	1
Traffic signals	21	15	15
Highways, tunnels and structures	67	110	166
Other (including over-programming)	58	57	53
Total capital expenditure	200	220	265

Section 4: Transport for London

London Rail

4.9 Capital projects directly managed by London Rail are shown in the table below:

Table 13

London Rail Capital Spending Plan	Budget 2012-13 £m	Plan 2013-14 £m	Plan 2014-15 £m
DLR safety/security	0	0	0
DLR Infrastructure	12	10	9
DLR Stratford International extension	1	0	0
DLR stations	9	1	1
Overground infrastructure projects	28	1	-20
Trams	10	5	2
Cable Car	15	0	0
Other	-1	0	0
Total capital expenditure	73	16	-7

Corporate Directorates

4.10 Capital projects directly managed by Corporate Directorates within TfL are shown in the table below.

Table 14

TfL Corporate Capital Spending Plan	Budget 2012-13 £m	Plan 2013-14 £m	Plan 2014-15 £m
Group Customer Services	2	2	1
Property development	68	49	33
Integrated transport smartcard	7	0	0
Future ticketing project	30	11	0
Group Information management	1	1	3
Group property and facilities	14	14	0
Other	4	3	0
Total capital expenditure	125	81	37

Section 4: Transport for London

TfL Borrowing

- 4.11 The above capital programmes would require new borrowing of £425m for 2012- 13. The profiled borrowing to support the proposed programme to 2014-15 is summarised below.

Table 15 - Borrowing

Borrowing	Budget 2012-13 £m	Plan 2013-14 £m	Plan 2014-15 £m
TfL	425	319	379
Total	425	319	379

Capital Financing

- 4.12 The financing costs in the revenue budget relate to interest payments in respect of capital expenditure as shown in the table below.

Table 16 – Capital financing costs

TfL Capital financing costs	2012-13 £m	2013-14 £m	2014-15 £m
External interest	312.0	340.0	365.0
Total financing costs	312.0	340.0	365.0

- 4.13 The estimated incremental impact of capital investment decisions on the council tax is zero in each year as TfL's financing costs are not met from its council tax precept income:

Table 17 – Incremental impact on council tax of capital investment decisions (£ per band D)

TfL Council tax impact	Proposed 2012-13 £	Proposed 2013-14 £	Proposed 2014-15 £
Incremental impact	0.00	0.00	0.00

Delivery Highlights

- 4.14 The tables overleaf set out the key deliverables over the period to 2015.

Section 4: Transport for London

Initiative	Commentary	Delivery
London Underground		
Sub-surface railway upgrade - Power	Contract Award	2012
	All Metropolitan Line sub-stations - delivered	2012
	National grid connections to Edgware Road Bulk Supply Point - delivered	2013
	Circle and Hammersmith Traction Package - delivered	2014
Sub-surface railway upgrade - Rolling stock	Roll out of new air-conditioned trains on Metropolitan line complete	2013
	Roll out of new air-conditioned trains on Circle, Hammersmith & City lines complete	2014
Sub-surface railway upgrade - Signalling	Completion of new service control building	2011
	New signalling system - test track demonstration complete	2013
	Test track - tested, commissioned and handed over to new signalling supply	2013
Northern line upgrade	Northern line upgrade complete, delivering 20 per cent increase in capacity	2014
	High Barnet branch - ready for passenger service	2013
	Camden Junction area - ready for passenger service	2014
Piccadilly line life-extension	Life-extension work to Piccadilly line signalling completed	2014
Victoria line upgrade	Twenty-one per cent capacity increase on the Victoria line (rise in peak capacity into central London)	2013
Deep Tube upgrade	Delivery of prototype for a low energy, higher capacity train for Piccadilly and Bakerloo lines	2015
Track	Annual programme of track replacement, and points and crossing	Annual
Civils	Annual programme of embankment, bridges and structures works	Annual
Cannon Street station	Station capacity improvements completed	2011
Blackfriars station	Re-opening of Blackfriars station after Thameslink works to deliver congestion relief, step-free access and ambience improvements	2011
Victoria station upgrade	Completion of design phase	2011
	Commence widening of Network Rail to LU ticket hall stairs (Sussex stairs)	2012
	Complete Northern ticket hall piling	2013
	Underpass (District and Circle lines part of station) Civils complete (2015)	2015
Escalator replacement	Piccadilly Circus escalators (nos. E1-11) refurbished and returned to service	2011
	Bank station escalator replacement programme (nos. E6-15) complete	2012
Step-free access at stations	Green Park station made step free (2012 Games commitments)	2012
Cooling the Tube	Completion of all mid-tunnel ventilation shafts on the Victoria line	2012
Bond Street congestion relief	Demolition works complete	2012
Bank congestion relief	Tunnelling works begin at Bond Street (congestion relief / Crossrail interchange)	2013
Tottenham Court Road	Close escalators nos. 1 and 2 in preparation for tunnelling works	2014
Bank Waterloo & City line	Developer to finish construction of station box for LU	2014
Bank	Completion of scheme (including new ticket hall and step-free access)	2013
	New entrance to Waterloo & City line platforms opens at Bank (subject to agreement with Legal & General)	2015
Bank station – Walbrook	Complete Phase 1 (partial opening of new Plaza Ticket Hall)	2015
Paddington Hammersmith & City	Transport and Works Act submission	2012
Bond Street	Works start on site	2015
	Completion of works to Central line overbridges	2012
Reliability improvement	Completion of scheme (including more spacious ticket hall and step-free access)	2014
	Investment in existing signalling, trains, safety critical station equipment and civil assets (eg bridges, tunnels, embankments) resulting in 18 per cent improvement in reliability of passenger journeys compared with 2010 (as measured by lost customer hours per passenger journey)	2015
London Rail		
East London line extension – New South London line	Extension from Surrey Quays to Clapham Junction	2012
North London Railway (NLR) Overground stations	Completion of the NLR infrastructure project, including link to the East London line	2011
	Refurbished stations for all Overground routes	2011
New trams	Trams delivered	2011-2012
Cable car	Cable car opens for service	2012

Section 4: Transport for London

Initiative	Commentary	Delivery
Surface Transport		
New Bus for London	Delivery of first seven vehicles	2012
Barclays Cycle Superhighways	Remaining eight routes complete	2015
Hammersmith Flyover	Temporary bridge strengthening	2012
21st century traffic signals communication	Replacement solution and pilot deployment of an IP enabled communications network for existing analogue systems	2014
Blackwall Tunnel over-height vehicle detection lane	Construction of over-height vehicle detection lane	2012
Systems relocation	Migration of 25 CCTV roadside sites to new communications network complete and transition to new disaster recovery enabled infrastructure	2012
Safety camera enforcement operations	Replacement of wet film cameras to digital camera technology	2015
Lane rental	Targeted, avoidable lane rental scheme on most congested parts of TLRN	2012
Energy efficient street lighting	Central management system to remote control energy consumption	2015
Signals modernisation	Programme to replace London's traffic signals equipment as it becomes life-expired or uneconomical to maintain	Annual
SCOOT deployment	SCOOT installed on 1,000 traffic signal sites	2013
Countdown project	2,500 new signs at bus stops	2012
Pedestrian countdown project	Wider scale implementation	2014
East London Transit phase 1b infrastructure	Infrastructure to provide service between Barking Town Centre to Barking Riverside	2013
TLRN capital programmes	Maintenance and improvement of the TLRN	Annual
Bridge safety improvement programme	Bridge parapet safety improvements	Annual
Tunnels safety enhancement programme	Programme to implement prioritised safety enhancements to TfL's 13 road tunnels	Annual
Legible London	All base maps, 3D building production and database complete	2012
Electric vehicles	1,300 charge points installed	2013
Hydrogen hybrid buses on RV1 route (Covent Garden - Tower of London)	Eight zero emission buses in operation	2012
A406 Bounds Green	Improvements scheme for carriageways, signals and footbridge for a safer and better environment	2012
Tottenham Hale	Two-way gyratory system to improve interchanges between transport modes	2014
LEZ extension	Extension to larger vans and minibuses	2012
Blackwall Tunnel northbound refurbishment	Improvements to safety systems, ventilation, fire detection, lighting, communications and road surface	2011
Extension of Barclays Cycle Hire to East London	Extension of existing network to Tower Hamlets and part of Hackney	2012
Henlys Corner	Traffic signals and pedestrian crossing scheme to improve traffic flow	2012
Other projects		
Future Ticketing project	Introduce contactless payment cards for travelling on TfL's transport network.	2013

Section 5: Olympic Park Legacy Company

Olympic Park Legacy Company

- 5.1 The Olympic Park Legacy Company has been established in the joint ownership of the Mayor and Government as the manager and custodian of the Queen Elizabeth Olympic Park (QEOP) after the 2012 Games. It is responsible for the legacy development and management of the park and venues in line with the London Plan's legacy objective and will be London's single most important regeneration project for the next 25 years.
- 5.2 The Mayor, in agreement with the Government, has proposed establishing a Mayoral Development Corporation (MDC) using powers granted by the Localism Act 2011. The MDC would take over the Legacy Company's role, assets, staff and liabilities and a smaller number of assets and liabilities from the London Thames Gateway Development Corporation and Olympic Delivery Authority. Current proposals are for the MDC to be established in April 2012 and to take on planning functions in October 2012. Unlike the Legacy Company, the MDC will be a functional body within the GLA Group. For purposes of preparing the MDC's budgets and associated material for 2012-13 and beyond, the Legacy Company has been working in the role of shadow MDC in close collaboration with the GLA. The OPLC – while not a functional body of the GLA at the date this capital spending plan was published – is included for completeness as it is expected to become an MDC at the start of the financial year.
- 5.3 The OPLC's strategic aims are:
- to deliver social, economic and environmental benefits for east London;
 - to deliver agreed financial receipts to the public sector; and
 - to optimise sustainability and success of the QEOP and venues.
- 5.4 The Mayor is determined that London benefits from a lasting legacy from the Olympic and Paralympic Games. The Mayoral Development Corporation is planning to invest over £500m by 2014-15 to transform the Olympic Park and surrounding area. This includes plans for 7,000 homes with supporting social infrastructure such as schools and medical facilities, alongside public realm and development projects in the wider area and site-wide infrastructure including transport and walkways as well as maintaining the Park itself and securing a sustainable future for the permanent Olympic venues.
- 5.5 The OPLC's capital expenditure programme totals some £161.4m in 2012-13. The table below details capital expenditure and the known capital funding plan for 2012-13 to 2014-15. The precise funding profile for 2013-14 and 2014-15 is to be confirmed.

Section 5: Olympic Park Legacy Company

Table 18 – OPLC Capital plan

OPLC capital plan	2011-12	2012-13	2013-14	2014-15
	£m	£m	£m	£m
Expenditure				
Park Operations and Venues	3.3	20.6	35.0	12.0
Real Estate	22.0	32.6	45.7	8.5
VAT/Stamp duty land tax (SDLT)	2.7	5.8	8.9	2.3
Contingency	1.2	2.9	6.5	1.6
Programme Management	0.8	1.6	2.4	0.6
Transformation	10.7	96.9	171.0	13.9
Olympic fringe public realm	2.0	1.0	0.0	0.0
Total expenditure	42.7	161.4	269.5	39.0
Funding				
Capital grant (DCLG)	-30.0	-64.0	-84.0	-39.0
Transformation (Public sector funding package)	-10.7	-96.4	-171.0	0.0
Olympic fringe public realm	-2.0	-1.0	0.0	0.0
Revenue contributions	0.0	0.0	0.0	0.0
Borrowing	0.0	0.0	0.0	0.0
Capital receipts	0.0	0.0	0.0	0.0
To be confirmed	0.0	0.0	14.5	0.0
Total funding	42.7	161.4	269.5	38.9

- 5.2 The OPLC's current capital plan does not include any requirement to borrow over the period 2012-13 to 2014-15 and therefore its planned debt repayment and financing costs are zero. Should there be a requirement to borrow in 2013-14 and 2014-15 this will result in financing costs being incurred in both years.

Table 19 – OPLC capital financing

OPLC Capital financing costs	2012-13	2013-14	2014-15
	£m	£m	£m
Debt repayment	0.0	0.0	0.0
Capital financing and interest costs	0.0	0.0	0.0
Total financing costs	0.0	0.0	0.0

- 5.3 OPLC does not precept and is not currently scheduled to borrow over the three year planning precept. Therefore there is no incremental impact on council tax from its capital financing decisions.

Section 6: Greater London Authority

- 6.1 The Greater London Authority (GLA) is the strategic authority for London and supports the Mayor and Assembly in delivering their respective responsibilities and functions. The GLA's functional bodies whose capital spending plans are set out in the previous sections are its principal delivery arms: the Mayor's Office for Policing and Crime (MOPC; overseeing the work of the Metropolitan Police Service - MPS) which took over the responsibilities of the former Metropolitan Police Authority on 16 January 2012; the London Fire and Emergency Planning Authority (LFEPA); Transport for London (TfL); and the Olympic Park Legacy Company (OPLC) which is scheduled to become a Mayoral Development Corporation in 2012 although was not a functional body at the date this plan was published.
- 6.2 The GLA also works with partner organisations – the 32 London boroughs and the Common Council of the City of London, London Councils, Whitehall agencies and a range of other organisations from the private, public and voluntary sectors – to deliver the Mayor's vision to make London the best big city in the world
- 6.3 The GLA's capital spending plan reflects the Government's intention to strengthen London's governance, enshrined in the Localism Act as well as its programmes to support housing, regeneration and economic development including:
- The devolution of powers over housing investment in London from the Homes and Communities Agency (HCA) to the GLA;
 - The abolition of the London Development Agency with its city-wide roles on regeneration and management of European funding to be transferred to the GLA;
 - Its £4.1 billion contribution by 2015 towards the costs of Crossrail which is financed by a business rate supplement on non domestic ratepayers
 - £221m of investment in regeneration including support for London's high streets and those areas hardest hit by the August 2011 disturbances.
- 6.4 The GLA's Capital Programme (including Crossrail contributions) is set to increase from £875 million in the 2011-12 *original* capital plan (£900m in the revised plan) to £1.69 billion in 2012-13 as a result of the Devolution arrangements – primarily due to capital funding for HCA activities outlined above. The capital programme is set out in more detail in section 10.
- 6.5 In financing the Capital Programme over the medium term the GLA will seek to optimise decisions on future borrowing to minimise costs, having made prudent estimates of the profile of the capital receipts that are planned to be realised. These will be addressed in the GLA's treasury management strategy. Details on the main elements of the GLA capital spending plan are set out on the following pages.

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GLA Contribution to the Funding of Crossrail

- 6.6 The funding arrangements for Crossrail provide for the Mayor to borrow £3.5bn towards its costs between 2010-11 and 2014-15 of which £800m was borrowed early in 2010-11 and £700m is scheduled to be borrowed in 2011-12 (of which £600m has been drawn down to date via a bond issuance). The debt is due to be taken out by the Mayor according to the following profile which was reapproved as part of TfL's settlement from the Secretary of State for Transport the Comprehensive Spending Review.

Table 20 – Profile of GLA Crossrail Borrowing (financed by BRS)

	2010-11	2011-12	2012-13	2013-14	2014-15
	£m	£m	£m	£m	£m
GLA Crossrail borrowing	800	700	700	800	500

- 6.7 The financing and repayment of this £3.5 billion of borrowing is being funded through a supplement on non-domestic ratepayers in London. Under the powers granted to the GLA in the Business Rate Supplements Act 2009 this may be levied at a rate of no more than 2p in the pound and only on properties with rateable values above £50,000. The Mayor confirmed in January 2010 that the Crossrail Business Rate Supplement (BRS) would be levied at a rate of 2p on non-domestic hereditaments with a rateable value above £55,000. This policy will be maintained in 2012-13.
- 6.8 A further £600 million – representing the amount estimated to be generated by the Crossrail BRS exceeding the GLA's financing costs during the construction period – will be used as direct financing towards Crossrail's construction costs. Approximately £119 million is scheduled to be paid to TfL through the direct BRS contribution in 2012-13. As a result the total GLA contribution for 2012-13 is budgeted to be £819 million (£700 million financed by borrowing in addition to the £119 million direct contribution).
- 6.9 The option of a bond issuance to raise the additional sums required to support Crossrail was utilised in July 2012, rather than through borrowing from the traditional Public Works Loan Board route. It is estimated that the lower financing costs compared to PWLB rates at that date will save the business rate payer around £65 million over the life time of the BRS.

Housing and Regeneration

- 6.10 As a result of the new devolution settlement, the GLA will assume considerable new responsibilities for the delivery of publicly funded housing programmes in London in addition to its existing strategic responsibilities. It will receive all the HCA's land and property assets in London, which together with the LDA's portfolio of regeneration assets already under the Mayor's control, and with those of the London Thames Gateway Development Corporation (LTGDC), provides an important platform for accelerating home building and regeneration.

Section 6: Greater London Authority

6.11 Over the next three years, the Mayor is planning to invest £1.9bn to support the delivery of 55,000 new affordable homes (in addition to the 55,000 delivered over the past three years) and to tackle wider housing shortages. These programmes will help create 100,000 construction jobs. The Mayor will take forward the accelerated development of housing provision on the Greenwich Peninsula, and, through the MDC, the planning and procurement of housing on the Olympic Park. The Mayor will also support boroughs to improve a further 45,000 local authority homes to the Decent Homes standard.

Regeneration and economic growth

6.12 The Mayor is committing substantial resources over the next three years to help areas and people affected by the riots and also those outer London centres and high streets suffering hardest from the economic downturn.

6.13 By working closely with the 32 London boroughs and other external organisations, the Mayor will use his Regeneration and Outer London funds to leverage funding in excess of £57m and provide more than £180 million to deliver new infrastructure, jobs and opportunities across the capital, supporting growth and a revitalised local economy. Twenty-two boroughs are already set to benefit from this new investment.

6.14 The Mayor is putting in place a new London Enterprise Panel (LEP) to promote growth and drive job creation across London. The LEP will have £41m for this purpose from the Growing Places Fund, subject to a final announcement from Government. In due course it will also advise on the use of the business rate uplift from the new Royal Docks Enterprise Zone.

6.15 The table below summarises the GLA's capital spending plan to 2014-15.

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Table 21 – GLA Capital Spending Plan

GLA capital plan	2011-12 Revised plan £m	2012-13 £m	2013-14 £m	2014-15 £m
City Hall	1.7	0.9	0.9	0.9
London Waste and Recycling Board	2.0	2.0	0.0	0.0
Museum of London	1.6	1.3	1.0	0.7
Crossrail	871.6	819.0	875.0	530.0
Local Enterprise Partnership	0.0	38.8	0.0	0.0
National Affordable Housing Programme	0.0	343.6	169.0	21.5
Affordable Homes	0.0	112.9	213.2	301.0
First Buy	0.0	10.4	0.0	0.0
Mortgage rescue	0.0	7.4	4.2	0.0
Decent Homes Backlog	0.0	154.5	194.5	345.5
Empty Homes	0.0	4.1	5.2	5.6
Homelessness Change	0.0	0.0	4.3	8.4
Traveller Pitch	0.0	0.0	0.0	0.7
Property & Regeneration - HCA commitments	0.0	17.6	9.1	8.3
Outer London Fund	3.4	17.5	16.7	0.0
Mayor's Regeneration Fund	0.0	30.0	30.0	0.0
Property & Regeneration - other	0.0	24.1	6.7	2.8
Other projects	19.9	3.3	8.0	6.8
Compulsory Purchase Orders - Olympics	0.0	33.8	23.2	11.8
Debt repayment	0.0	0.0	0.0	0.0
Corporation Tax	0.0	0.0	0.3	1.1
Total Capital Expenditure	900.2	1,621.3	1,561.2	1,245.0
Funding:				
Crossrail Business Rate Supplement (Revenue contribution)	-171.6	-119.0	-75.0	-30.0
Prudential borrowing (Crossrail)	-700.0	-700.0	-800.0	-500.0
Prudential borrowing (Other)	-12.1	0.0	0.0	0.0
Capital Receipts	0.0	-23.5	-20.5	-12.3
DCLG Capital grant (including Growing places fund and HCA functions)	0.0	-745.0	-642.5	-690.9
Unspent LDA borrowings b/f	0.0	-33.8	-23.2	-11.8
Revenue funding of capital	-4.6	0.0	0.0	0.0
Other Funding	-11.9	0.0	0.0	0.0
Total Capital Funding	-900.2	-1,621.3	-1,561.2	-1,245.0

Note: Figures may not sum exactly due to rounding. LEP expenditure financed by growing places fund grant and HCA programme expenditure is fully funded by DCLG Grant.

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6.16 The GLA's financing costs are set out below.

Table 22 – GLA Capital financing costs

Capital financing costs	2012-13	2013-14	2014-15
	£m	£m	£m
Minimum revenue provision for debt repayment	0.3	12.3	12.4
External interest (Non Crossrail)	9.2	9.2	9.2
External interest (Crossrail - financed by BRS)	101.0	144.0	190.0
Total financing costs	110.5	165.5	211.6

6.17 The estimated incremental impact of capital investment decisions on the council tax is zero in each year as GLA's financing costs are financed by government grant and Crossrail BRS income:

Table 23 – Incremental impact on council tax of capital investment decisions (£ per band D)

GLA Council tax impact	Proposed	Proposed	Proposed
	2012-13	2013-14	2014-15
	£	£	£
Incremental impact	0.00	0.00	0.00