

February 2016

The Mayor of London's Capital Spending Plan 2016-7

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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 2016-17 will be: the Mayor's Office for Policing and Crime (MOPAC); the London Fire and Emergency Planning Authority (LFEPA); Transport for London (TfL); the London Legacy Development Corporation (LLDC); and the Old Oak and Park Royal Development Corporation (OPDC). The OPDC's capital expenditure in 2016-17 is zero however it is included for completeness. The capital spending plans for 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 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 9 of the Mayor's consultation document on his draft consolidated budget which was issued on 21 December 2015 and the statutory consultation requirement was met as part of that process. 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.
- 1.3 An updated version of the capital spending plan for the GLA Group was included in the Mayor's final draft consolidated document presented to the London Assembly on 22 February. The final draft consolidated budget was approved without amendment by the Assembly.
- 1.4 The capital spending 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

- 1.5 The prescribed 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 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 of credit cover which the Mayor expects the body to have available under sections 50(2) and 51(4) of the Local Government and Housing Act 1989 with respect to credit arrangements entered into or varied during the year.

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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.

1.6 Set out below is a summary of the key deliverables in the Mayor's capital spending plan:

- increase the supply of affordable homes, delivering 100,000 over the two Mayoral terms and identify new and better approaches to increasing housing supply;
- deliver the transformation of policing's IT infrastructure and estate;
- update and replace LFEPA's vehicle fleet, operational equipment and property portfolio to support and enable a modern fire service for London;
- invest £200 million in bus priority schemes, £913 million in cycling and £4 billion in London's roads;
- continue to deliver Crossrail which will transform rail capacity and journey times and deliver the Northern Line Extension to Nine Elms and Battersea; and
- promote and deliver the regeneration of the Queen Elizabeth Olympic Park and surrounding area, including starting the delivery of Olympicopolis.

1.7 The table overleaf sets out the Mayor's statutory capital spending plan for 2016-17 which totals £4.8 billion. This includes the spending plans for the GLA for completeness although they are not required to be included under section 122 of the GLA Act.

Section 1: Statutory Capital Spending Plan

Table 1 – Final Statutory Capital Spending Plan 2016-17

| Section | | GLA £m | MOPAC £m | LFEPA £m | TfL £m | LLDC £m | OPDC £m |
|---------|---|--------------|--------------|-------------|----------------|--------------|------------|
| A | Total external capital grants | 466.0 | 41.1 | 0.3 | 2,618.7 | 0.0 | 0.0 |
| | Opening balance of capital receipts | 0.0 | 0.0 | 25.9 | 0.0 | 0.0 | 0.0 |
| | Total capital receipts during the year | 63.9 | 474.4 | 10 | 115.0 | 53.1 | 0.0 |
| | Total capital grants/ receipts | 529.9 | 515.5 | 36.2 | 2,733.7 | 53.1 | 0.0 |
| B | Minimum s.120(1) grant | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total borrowings during the year | 323.0 | 0.0 | 23.4 | 731.4 | 0.0 | 0.0 |
| | Total borrowings | 0.0 | 0.0 | 0.0 | 0.0 | 53.4 | 0.0 |
| | Total borrowings and credit arrangements | 323.0 | 0.0 | 23.4 | 731.4 | 53.4 | 0.0 |
| C | Total capital expenditure anticipated during the year | 812.1 | 264.9 | 58.8 | 3,581.2 | 106.5 | 0.0 |
| | Total credit cover arrangements in respect of requirements of 50(2) and 51(4) Local Government and Housing Act 1989 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total capital spending for the year | 812.1 | 264.9 | 58.8 | 3,581.2 | 106.5 | 0.0 |
| D | Funding: capital grants | 434.3 | 41.1 | 0.3 | 2,659.0 | 0.0 | 0.0 |
| | Funding: capital receipts/reserves | 54.8 | 223.8 | 35.1 | 115.0 | 53.1 | 0.0 |
| | Funding: borrowings and credit arrangements | 323.0 | 0.0 | 23.4 | 731.4 | 53.4 | 0.0 |
| | Funding: revenue contributions | 0.0 | 0.0 | 0.0 | 75.8 | 0.0 | 0.0 |
| | Total funding | 812.1 | 264.9 | 58.8 | 3,581.2 | 106.5 | 0.0 |

1.8 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 four functional bodies' proposed programmes along with those of the core GLA.

1.9 Set out below is a summary of the Mayor's proposed Capital Plan for 2016-17 to 2018-19 compared to the forecast 2015-16 outturn. This illustrates that overall the GLA Group capital expenditure will be £764.0 million less in 2016-17 compared to 2015-16. The majority of this change reflects the tailing off of Crossrail costs and the profiling of the GLA's housing investment programme.

1.10 The programme for 2017-18 is provisionally £4,887.1 million which is broadly in line with the 2016-17 spending plan. The 2018-19 programme is provisionally £3,966.4 million, £920.7 million less than the planned expenditure in 2017-18. This primarily reflects the further planned tailing off of Crossrail expenditure and the planned phasing of the Mayor's housing programmes.

Section 1: Statutory Capital Spending Plan

Table 2 – Summary of Capital Spending Plans from 2015-16 to 2018-19

| Summary of the capital plan 2015-16 to 2018-19 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 4 year Total |
|---|------------------------|--------------------|--------------------|--------------------|-------------------------|
| | Forecast £m | Plan £m | Plan £m | Plan £m | £m |
| GLA | 1,097.5 | 812.1 | 1,073.7 | 623.1 | 3,606.4 |
| MOPAC | 246.0 | 264.9 | 357.4 | 326.8 | 1,195.1 |
| LFEPA | 38.6 | 58.8 | 49.8 | 28.1 | 175.3 |
| TfL | 4,066.2 | 3,581.2 | 3,280.0 | 2,631.9 | 13,559.3 |
| LLDC | 139.2 | 106.5 | 126.2 | 356.5 | 728.4 |
| OPDC | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 5,587.5 | 4,823.5 | 4,887.1 | 3,966.4 | 19,264.5 |

1.11 The Mayor will also approve the borrowing limits and prudential indicators for 2016-17 for each functional body as part of a separate Mayoral Decision in March 2016. The limits and indicators agreed will have regard to the capital spending plans set out in this document.

1.12 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

Mayor's Office for Policing and Crime

2.1 The Mayor's Office for Policing and Crime (MOPAC) works on behalf of Londoners to hold the Metropolitan Police Service (MPS) to account and improve the provision of criminal justice services across the capital. MOPAC's Police and Crime Plan sets out the Mayor's strategy for policing and crime reduction over a four year period for 2013-2016.

2.2 MOPAC's capital programme of £264.9 million in 2016-17 is critical to the transformation of policing's IT infrastructure and estate, both of which are vital to delivering the revenue savings programme. The Capital Programme includes funding for the transformation of the estate, investment in the 24 hour borough police stations and public access, technology projects in support of frontline policing and infrastructure modernisation and the vehicle replacement programme.

2.3 Table 3 summarises the proposed capital programme and how it will be financed.

Table 3 – MOPAC Capital Expenditure Plan

| MOPAC's capital expenditure plan | Forecast | | | |
|--|-----------------|----------------|----------------|----------------|
| | Outturn | Plan | | |
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| | £m | £m | £m | £m |
| Fleet Services | 20.3 | 20.1 | 22.5 | 27.2 |
| Property Services | | | | |
| Asset management | 11.3 | 13.7 | 14.0 | 19.3 |
| Supporting future business need/One Met Model 2020 | 48.7 | 46.1 | 230.0 | 207.0 |
| Enabling Savings | 80.7 | 42.0 | 4.0 | 2.5 |
| Digital Policing | | | | |
| Asset Management | 30.3 | 25.0 | 12.7 | 11.3 |
| Supporting future business need/One Met Model 2020 | 26.2 | 81.8 | 146.5 | 137.6 |
| Enables savings | 28.5 | 26.3 | 2.0 | 0.0 |
| NCTPHQ | 0.0 | 9.9 | 17.8 | 7.5 |
| Subtotal | 246.0 | 264.9 | 449.4 | 412.4 |
| Over-programming/headroom | 0.0 | 0.0 | -92.0 | -85.6 |
| Total Programme Cost | 246.0 | 264.9 | 357.4 | 326.8 |
| Funding: | | | | |
| Capital Receipts | 206.9 | 223.8 | 313.8 | 79.9 |
| Capital grants & other contributions | 38.1 | 41.1 | 43.6 | 27.8 |
| Savings resulting from business cases | 0.0 | 0.0 | 0.0 | 89.0 |
| Cash flowing via Group Investment Syndicate | 0.0 | 0.0 | 0.0 | 130.1 |
| Revenue Contributions | 1.0 | 0.0 | 0.0 | 0.0 |
| Total funding gross of over-programming | 246.0 | 264.9 | 357.4 | 326.8 |

Note:

1. The profile of capital receipts will be different to that shown above as the majority of the capital receipts will be received in 2016-17. The above table shows how these receipts will be applied to fund the proposed capital programme.
2. NCTPHQ is National Counter-terrorism policing headquarters.

Section 2: Mayor's Office for Policing and Crime

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

Table 4 – MOPAC Capital Financing Costs

| Capital financing costs | 2016-17 £m | 2017-18 £m | 2018-19 £m |
|--|-----------------------|-----------------------|-----------------------|
| Minimum revenue provision for debt repayment | 24.2 | 24.2 | 24.2 |
| External interest | 22.0 | 22.0 | 22.0 |
| Total financing costs | 46.2 | 46.2 | 46.2 |

Section 3: London Fire and Emergency Planning Authority

London Fire and Emergency Planning Authority

3.1 The London Fire and Emergency Planning Authority (LFEPA) is responsible for fire and rescue services in London and it supports the London boroughs in their emergency planning role.

3.2 The Mayor proposes that LFEPA's Capital Plan should increase by £20.2 million from the current spend forecast of £38.6 million in 2015-16 to £58.8 million in 2016-17. The Capital Plan for 2017-18 is £49.8 million. The main elements of LFEPA's Capital Plan for the next two years of £108.6 million are a:

- Programmed replacement of the brigade's fleet of £43.3 million;
- Concessionary arrangements of £23.4 million, relating to provision of the brigade's PFI property project to deliver nine new fire stations; and
- Investment of £34.8 million into a range of operational improvements including the refurbishment of fire stations and other property projects.

3.3 Table 6 below summarises the current proposed capital programme and spending plans against likely funding sources including affordable borrowing levels.

Table 5 - LFEPA Capital Expenditure Plan

| LFEPA's capital expenditure plan | Forecast | | | |
|---|--------------------|-----------------|-----------------|-----------------|
| | Outturn 2015-16 | Plan 2016-17 | Plan 2017-18 | Plan 2018-19 |
| | | | | |
| IT projects | 8.2 | 2.9 | 1.0 | 0.5 |
| Resilience projects | 0.0 | 0.0 | 0.0 | 0.0 |
| Refurbishment of fire stations | 0.9 | 3.2 | 0.9 | 2.8 |
| New/Replacement fire stations | 2.8 | 3.9 | 8.1 | 0.0 |
| Other property projects | 1.7 | 8.2 | 14.5 | 14.4 |
| Sustainability projects | 2.3 | 2.7 | 1.8 | 1.8 |
| Minor improvements programme | 1.1 | 0.5 | 0.7 | 0.7 |
| Contingency programme | 0.0 | 1.0 | 1.0 | 1.0 |
| Service concessions (PFI stations and Finance leases) | 18.7 | 23.4 | 0.0 | 0.0 |
| Fire Brigade fleet re-procurement | 2.9 | 17.9 | 25.4 | 10.0 |
| Over programming | 0.0 | -4.9 | -3.6 | -3.0 |
| Total capital expenditure | 38.6 | 58.8 | 49.8 | 28.1 |
| Funding: | | | | |
| Capital receipts | 19.2 | 35.1 | 49.8 | 28.1 |
| Borrowing and PFI leases | 18.7 | 23.4 | 0.0 | 0.0 |
| Capital grants | 0.7 | 0.3 | 0.0 | 0.0 |
| Revenue contributions | 0.0 | 0.0 | 0.0 | 0.0 |
| Total funding | 38.6 | 58.8 | 49.8 | 28.1 |

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 6 – Capital Financing Costs

| Capital financing costs | 2016-17 £m | 2017-18 £m | 2018-19 £m |
|--|-----------------------|-----------------------|-----------------------|
| Minimum revenue provision for debt repayment | 5.9 | 5.9 | 7.0 |
| External interest | 3.9 | 3.9 | 4.1 |
| Total financing costs | 9.8 | 9.8 | 11.1 |

Section 4: Transport for London

Transport for London

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

4.2 The main elements of TfL's Capital Plan of £3,581.2 million in 2016-17, are, as follows:

- Crossrail (£1,300 million);
- Four Lines Modernisation (£509 million);
- Capacity Optimisation (£464 million);
- Stations Upgrade (£337 million);
- Metropolitan Line Extension (£52 million);
- TfL Road Network (£151 million);
- Cycle Superhighways (£35 million);
- Contactless ticketing (£15 million); and
- Customer Experience Projects (£16 million).

4.3 The Mayor's investment allows 500 extra buses to be planned over the course of the business plan, which will create additional capacity for an extra 2.9 million customer journeys each week. As part of the Mayor's Cycling Vision, £913 million is being invested, to support the rapidly growing number of cyclists, through creating safer junctions across London, major segregated cycle routes and a network of Quietways on less busy streets.

4.4 As part of the Tube upgrade there will be a new automatic signalling system on the sub-surface lines plus new more spacious trains will increase capacity on the Circle and Hammersmith & City lines by 65 per cent, the District line by 24 per cent and the Metropolitan line by 27 per cent.

4.5 Crossrail is now more than 70 per cent complete, on schedule and within budget. It will add 10 per cent to London's rail capacity. 2016-17 will see the testing of the new Crossrail Trains. The first services, between Liverpool Street and Shenfield began operating last year with full Crossrail services operating from the end of 2019.

4.6 TfL's planned expenditure in 2016-17 is £485 million less than its forecast expenditure in 2015-16. This is largely due to Crossrail investment reducing by £230 million as the scheme nears completion; a reduction of £430 million in Commercial Development capital (which was relating to the one-off Earls Court transaction in 2015-16), offset by increased spend in Rail & Underground on the Four Lines Modernisation programme, increasing capacity and the Northern Line extension investment.

Section 4: Transport for London

4.7 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 and the Northern Line Extension.

4.8 The TfL capital spending plan is summarised in the table below by mode.

Table 7 - TfL Capital Expenditure Plan

| TfL Summary capital expenditure plan | Forecast | | | |
|--|--------------------|----------------|----------------|----------------|
| | Outturn 2015-16 | Plan | | |
| | | 2016-17 | 2017-18 | 2018-19 |
| | £m | £m | £m | £m |
| Rail and Underground and Tube Lines | 1,465.0 | 1,673.7 | 1,824.1 | 1,633.7 |
| Surface Transport | 472.0 | 435.8 | 483.7 | 514.9 |
| Corporate | 598.4 | 171.9 | 282.7 | 314.7 |
| Crossrail | 1,530.8 | 1,299.9 | 689.5 | 168.5 |
| Total capital expenditure | 4,066.2 | 3,581.2 | 3,280.0 | 2,631.9 |
| Funding: | | | | |
| Capital receipts/property sales | 393.5 | 115.0 | 223.4 | 92.8 |
| Grants to support capital expenditure | 1,065.8 | 1,212.9 | 1,210.2 | 1,130.7 |
| Borrowing | 597.7 | 731.4 | 900.7 | 500.4 |
| Crossrail funding sources | 906.2 | 104.0 | 109.0 | 143.1 |
| Revenue contributions | -178.4 | 75.8 | 192.0 | 387.9 |
| Working capital and reserves movements | 1,281.5 | 1,342.1 | 644.7 | 376.9 |
| Total funding | 4,066.2 | 3,581.2 | 3,280.0 | 2,631.9 |

Section 4: Transport for London

Rail and Underground and Tube Lines

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

Table 8 - Rail and Underground and Tube Lines Capital Expenditure Plan

| LUL/Tube Lines capital expenditure plan | Forecast | | | |
|---|--------------------------|-----------------------|-----------------------|-----------------------|
| | Outturn 2015-16 £m | Plan 2016-17 £m | Plan 2017-18 £m | Plan 2018-19 £m |
| | | | | |
| Stations Upgrade | 332.0 | 336.6 | 244.2 | 179.4 |
| Legacy Train Systems | 14.8 | 52.7 | 59.1 | 62.3 |
| Four Lines Modernisation | 356.6 | 508.6 | 346.5 | 280.9 |
| Metropolitan Line Extension | 26.3 | 51.9 | 29.2 | 48.1 |
| Infrastructure Renewals | 273.2 | 240.7 | 236.2 | 175.8 |
| New Tube For London | 16.1 | 30.1 | 139.7 | 206.0 |
| World Class Capacity | 63.6 | 178.8 | 101.7 | 116.1 |
| Northern Line Extension | 113.8 | 219.9 | 228.0 | 107.2 |
| Central Re-phasing provision | -135.6 | -256.9 | 22.4 | 62.5 |
| Reliability & Customer Facing Programmes | 89.2 | 55.4 | 15.0 | 10.1 |
| Other | 18.6 | 12.8 | 16.1 | 10.2 |
| Docklands Light Railway | 37.2 | 33.6 | 56.2 | 49.7 |
| London Overground | 60.3 | 72.0 | 7.8 | 6.0 |
| Trams | 30.4 | 19.4 | 11.2 | 4.3 |
| Crossrail | 168.4 | 118.0 | 310.5 | 314.9 |
| Emirates Air Line | 0.1 | 0.2 | 0.5 | 0.3 |
| Total capital expenditure | 1,465.0 | 1,673.7 | 1,824.1 | 1,633.7 |

Surface Transport

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

Table 9 - Surface Transport Capital Expenditure Plan

| Surface Transport capital expenditure plan | Forecast | | | |
|---|--------------------------|-----------------------|-----------------------|-----------------------|
| | Outturn 2015-16 £m | Plan 2016-17 £m | Plan 2017-18 £m | Plan 2018-19 £m |
| | | | | |
| Buses | 125.6 | 38.5 | 28.2 | 27.7 |
| Roads and Cycling | 323.4 | 283.7 | 276.6 | 300.6 |
| Other | 23.0 | 113.6 | 178.9 | 186.6 |
| Total capital expenditure | 472.0 | 435.8 | 483.7 | 514.9 |

Section 4: Transport for London

Corporate Directorates

4.11 Capital projects directly managed by Corporate Directorates within TfL are shown in the table below, net and gross of Crossrail.

Table 10 - TfL Corporate Directorates

| TfL Corporate capital expenditure plan | Forecast | | | |
|--|--------------------|----------------|--------------|-----------------|
| | Outturn 2015-16 | Plan | | Plan 2018-19 |
| | | 2016-17 | 2017-18 | |
| | £m | £m | £m | £m |
| Commercial Development | 516.8 | 75.9 | 116.0 | 82.6 |
| Future ticketing project | 15.7 | 15.0 | 7.3 | 6.7 |
| Other Corp capex incl. IM | 65.9 | 81.1 | 159.4 | 225.3 |
| Corporate expenditure excluding Crossrail | 598.4 | 171.9 | 282.7 | 314.7 |
| Crossrail contributions | 1,530.8 | 1,299.9 | 689.5 | 168.5 |
| Corporate expenditure including Crossrail | 2,129.2 | 1,471.8 | 972.2 | 483.2 |

TfL 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 11 - Capital Financing Costs of TfL's Capital Plan

| TfL capital financing costs | 2016-17 £m | 2017-18 £m | 2018-19 £m |
|------------------------------|---------------|---------------|---------------|
| External interest | 497.9 | 568.8 | 613.2 |
| Total financing costs | 497.9 | 568.8 | 613.2 |

Section 5: London Legacy Development Corporation

London Legacy Development Corporation

5.1 The London Legacy Development Corporation (“the Legacy Corporation”) is responsible for promoting and delivering the physical, social, economic and environmental regeneration of Queen Elizabeth Olympic Park and the surrounding area. In particular, the Legacy Corporation aims to maximise the legacy of the Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control.

5.2 Since the London 2012 Olympic and Paralympic Games, the Legacy Corporation has been working to transform the Park and venues from their Olympic to their legacy configuration. The Copper Box Arena, Timber Lodge, North Park and Aquatics Centre re-opened by March 2014. The ArcelorMittal Orbit and re-modelled South Park opened in April 2014 and the Stadium will re-open permanently in summer 2016 (following a successful temporary re-opening for a series of events in summer 2015, including Rugby World Cup matches).

5.3 Alongside its operational role, the Legacy Corporation’s wider role in creating a great place and opportunities for local people will assume ever greater importance. The Corporation will work in partnership to bring forward regeneration schemes and housing to further the transformation of east London enabled by the London 2012 Games. This includes delivering the Mayor’s Olympicopolis vision, new social and transport infrastructure, and working with the host boroughs and other partners to create economic opportunity and support local people and businesses, as they seek to access it.

5.4 The Mayor’s proposed capital spending plan for the LLDC is £106.5 million in 2016-17. This represents a reduction of £32.7 million compared to 2015-16 reflecting reduced stadium transformation expenditure as the works complete in the summer of 2016-17. The main elements are £50 million being invested in infrastructure, primarily to support East Wick and Sweetwater residential scheme and the schools programme; Hackney Wick Station improvements; the completion of the Stadium transformation for permanent re-opening in the summer of 2016; and expenditure of £46 million on Olympicopolis.

5.5 The Mayor proposes that capital support to LLDC should be provided as loan funding to bridge the funding gap between the cost of the infrastructure required to enable the development of Queen Elizabeth Olympic Park (including Olympicopolis) and the future receipts from land sales which will enable the LLDC to repay its borrowings. In 2016-17 this is estimated to be £53.4 million but in 2017-18 LLDC is projected to have a capital surplus of £54.6 million. Further support of £173.5 million is estimated in 2018-19.

5.6 The table overleaf details capital expenditure and the known capital funding plan for 2016-17 to 2017-18 compared to the 2015-16 forecast outturn.

Section 5: London Legacy Development Corporation

Table 12 – LLDC Capital Expenditure Plan

| LLDC's capital expenditure plan | Forecast | Plan 2016-17 £m | Plan 2017-18 £m | Plan 2018-19 £m |
|----------------------------------|---------------|-----------------------|-----------------------|-----------------------|
| | Outturn | | | |
| | 2015-16 £m | | | |
| Expenditure | | | | |
| Park Operations and Venues | 100.4 | 11.8 | 1.8 | 3.0 |
| Real Estate and Regeneration | 21.5 | 38.2 | 44.1 | 6.1 |
| Olympicopolis | 15.8 | 46.1 | 79.2 | 340.1 |
| Corporate activities | 2.2 | 1.4 | 1.7 | 1.4 |
| Irrecoverable VAT & contingency | 1.0 | 10.5 | 1.8 | 0.3 |
| Over-programming | -1.8 | -1.5 | -2.4 | 5.6 |
| Total expenditure | 139.2 | 106.5 | 126.2 | 356.5 |
| Funding | | | | |
| Borrowing | 122.9 | 53.4 | 0.0 | 173.5 |
| Capital receipts | 11.2 | 27.7 | 47.0 | 63.5 |
| Other grants and funding | 5.1 | 25.4 | 79.2 | 119.5 |
| Revenue contributions (reserves) | 0.0 | 0.0 | 0.0 | 0.0 |
| Total funding | 139.2 | 106.5 | 126.2 | 356.5 |

Notes

The capital surplus of £54.6 million is transferred from the LLDC to the GLA to reduce LLDC's outstanding borrowings in the planned 2017-18 programme.

5.7 LLDC's planned capital financing costs are set out below.

Table 13 – LLDC Capital Financing Costs

| LLDC capital financing costs | 2016-17 £m | 2017-18 £m | 2018-19 £m |
|------------------------------|---------------|---------------|---------------|
| External interest | 10.9 | 11.6 | 13.0 |
| Total financing costs | 10.9 | 11.6 | 13.0 |

Section 6: Old Oak and Park Royal Development Corporation

Old Oak and Park Royal Development Corporation

- 6.1 A new Mayoral Development Corporation (MDC) for the Old Oak Common and Park Royal area came into operation on 1 April 2015. The new High Speed 2 (HS2), Crossrail and Great West Mainline stations at Old Oak Common will provide the impetus for a once in a lifetime regeneration opportunity in that part of West London. The OPDC, utilising its planning and regeneration powers, will ensure that all these benefits are captured and maximised to deliver much needed jobs and homes in London. As the OPDC is a functional body of the GLA under the GLA Act it is required to have its own capital spending plan.
- 6.2 Arrangements for the OPDC's capital spending plan will need to be considered in the future; however, at this stage the Mayor's proposed capital spending plan for the OPDC in 2016-17 is zero.

Section 7: Greater London Authority

Greater London Authority

7.1 The GLA is a strategic authority with a London-wide role to design a better future for the capital. The Mayor of London sets a citywide vision of improvement, develops strategies, policies and investment programmes to realise the vision and provides funding and encouragement to help make it a reality. 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 (MOPAC; overseeing the work of the Metropolitan Police Service - MPS); the London Fire and Emergency Planning Authority (LFEPA); Transport for London (TfL); the London Legacy Development Company (LLDC); and the Old Oak and Park Royal Development Corporation (OPDC).

7.2 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.

7.3 The key elements to the GLA's Capital Plan are as follows:

- A Housing programme of £464 million in 2016-17 with the priority being to deliver affordable housing for Londoners in line with the Mayor's commitment of 100,000 new affordable homes over his two Mayoral terms. This programme also includes the start of the delivery of the London Housing Bank and Housing Zones;
- Funding of £193.0 million in 2016-17 is forecast to be paid to TfL to fund the Northern Line extension to Battersea. The total estimated cost to the GLA of the project is £1 billion. The GLA is financing the bulk of its NLE contribution by borrowing from the European Investment Bank and having issued an index-linked bond; and
- The other main elements of the GLA's capital programme in 2016-17 are contributions to the LLDC of £46 million and expenditure on Further Education of £35 million.

7.4 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.

7.5 The table overleaf summarises the GLA's capital spending plan to 2016-17.

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Table 14 – GLA Capital Expenditure Plan

| GLA capital expenditure plan | Forecast | | Proposed | Proposed |
|---|----------------|--------------|----------------|--------------|
| | Outturn | Plan | Plan | Plan |
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Regeneration | 55.1 | 1.9 | 0.0 | 0.0 |
| Growing Places Fund | 13.6 | 40.8 | 22.8 | 2.8 |
| London Regeneration Fund | 0.0 | 11.6 | 8.4 | 0.0 |
| Further Education Capital | 16.6 | 35.0 | 64.3 | 32.5 |
| Digital Talent | 0.0 | 1.0 | 1.0 | 0.0 |
| Super-Connected Cities | 14.0 | 0.0 | 0.0 | 0.0 |
| New Homes Bonus | 32.2 | TBC | TBC | TBC |
| London and Partners | 0.2 | 0.2 | 0.2 | 0.2 |
| London Great Outdoors: Parks and Street Trees | 2.2 | 0.0 | 0.0 | 0.0 |
| Mayor's Housing Covenant | 377.7 | 241.8 | 559.1 | 112.4 |
| Care & Support Programme - Phase 1 and 2 | 17.3 | 10.2 | 39.3 | 0.0 |
| Decent Homes Programme | 154.5 | 0.0 | 0.0 | 0.0 |
| Custom Build | 3.9 | TBC | TBC | TBC |
| Homelessness Change and Platform for Life | 15.0 | 15.0 | 0.0 | 0.0 |
| London Housing Bank | 0.0 | 80.0 | 120.0 | 0.0 |
| Housing Zones | 23.1 | 108.4 | 132.8 | 79.8 |
| Recycled Capital Grant Funding | 0.0 | 8.7 | 10.0 | 10.0 |
| Right to buy | 0.0 | TBC | TBC | TBC |
| Land and Property | 30.6 | 0.4 | 0.0 | 0.0 |
| CPOs | 12.2 | 14.1 | 0.0 | 0.0 |
| A Sporting Future for London | 1.7 | 2.2 | 0.0 | 0.0 |
| Crossrail | 9.0 | 0.0 | 0.0 | 0.0 |
| Northern Line Extension | 179.0 | 193.0 | 115.0 | 231.0 |
| London Legacy Development Corporation ¹ | 139.2 | 46.4 | 0.0 | 153.5 |
| City Hall | 0.2 | 1.1 | 0.5 | 0.5 |
| Technology Group | 0.2 | 0.4 | 0.4 | 0.4 |
| Total capital expenditure | 1,097.5 | 812.2 | 1,073.8 | 623.1 |
| Funding: | | | | |
| Crossrail Business Rate Supplement (Revenue contribution) | 9.0 | 0.0 | 0.0 | 0.0 |
| CPO provision | 12.2 | 14.1 | 0.0 | 0.0 |
| Northern Line Extension – Borrowing and Developer Contributions | 179.0 | 193.0 | 115.0 | 231.0 |
| Capital receipts and other Sales Income | 205.2 | 40.8 | 0.0 | 169.2 |
| Other Grants & Contributions | 78.5 | 33.9 | 49.3 | 10.0 |
| DCLG Loans | 20.0 | 130.0 | 195.0 | 35.0 |
| DCLG Capital Grant (Growing places fund) | 13.6 | 40.8 | 22.8 | 2.8 |
| DCLG Capital grant (Other) | 580.0 | 359.6 | 691.7 | 175.1 |
| Total capital funding | 1,097.5 | 812.2 | 1,073.8 | 623.1 |

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

Table 15 – GLA Capital financing costs

| Capital financing costs | 2016-17 £m | 2017-18 £m | 2018-19 £m |
|--|-----------------------|-----------------------|-----------------------|
| Voluntary revenue provision (VRP) for debt repayment | 10.5 | 10.8 | 8.9 |
| External interest (Non Crossrail) | 9.1 | 12.1 | 16.3 |
| External interest (Crossrail - financed by BRS) | 115.3 | 115.3 | 115.3 |
| Total financing costs | 134.9 | 138.2 | 140.5 |

