

Subject: Report of the Budget Committee to the Assembly on the Mayor's Budget Proposals for 2003/04

Report Number: 5(ii)

Report to: London Assembly

Date: 22 January 2003

Report of: Budget Committee

1 Introduction

- 1.1 The Mayor issued his 2003/04 Consultation Budget for the GLA Group on 16 December 2002, asking for responses by 14 January 2003¹. This report constitutes the response of the London Assembly's Budget Committee².
- 1.2 The widely circulated headline figure is the Mayor's proposal for a rise of more than one third (36%) in the GLA Group element of London Council Tax. This amounts to an additional £62 per year for typical – Band D – residents.
- 1.3 However the Committee is not limiting its comments to the proposed Council Tax rise – we are also keen to ensure that value for money (VFM) is secured throughout the GLA Group, for which the Mayor is proposing the following:

Consultation Budget for 2003/04	Proposed gross expenditure (£bn) ³	Proposed GLA Group Council Tax (£) ⁴	Proposed additional GLA Group Council Tax (£) ⁵
MPA	2.7 45%	160 68%	29 47%
TfL	2.4 41%	32 14%	22 35%
LFEPA	0.4 7%	36 15%	8 13%
GLA	0.1 1%	8 3%	1 2%
LDA ⁶	0.3 6%	-	-
Collection fund ⁷	-	-	2 3%
Total	5.9 100%	236 100%	62 100%

¹ Mayor's Consultation Budget: <http://www.london.gov.uk/approot/gla/budget/index.jsp>

² The London Assembly scrutinises the performance of the GLA Group. The GLA Group is made up of the MPA (the Metropolitan Police Authority, which oversees the MPS – the Metropolitan Police Service), TfL (Transport for London), LFEPA (the London Fire and Emergency Planning Authority), the GLA (the Greater London Authority) and the LDA (the London Development Agency)

³ Appendix A13, page 52 of the Consultation Budget. The percentage figure for each authority is its proportion of the proposed GLA Group's total gross expenditure for 2003/04

⁴ Calculated at Band D, Appendix A13 on page 52 of the Consultation Budget. The percentage figure for each authority is its proportion of the GLA Group's proposed Council Tax for 2003/04

⁵ As footnote 4 but for the GLA Group's proposed *additional* Council Tax as against 2002/03

⁶ The LDA is entirely funded by central government and therefore has no impact on Council Tax levels

⁷ A balancing figure for Council Tax collection covering the GLA Group and London Boroughs

- 1.4 The 2003/04 Consultation Budget proposals require an additional £167m to be financed from Council Tax as against 2002/03⁸.
- 1.5 In previous years the Consultation Budget's proposed budget for the GLA Group was reduced by the following amounts in reaching the final budget for the GLA Group, following meetings of the Assembly and this Committee⁹:
- £25m for 2001/02, a saving of £10 per year on Band D Council Tax
 - £69m for 2002/03, a saving of £29 per year on Band D Council Tax.
- 1.6 Recommendations to the Mayor follow in Section 2 of this report. Supporting information for the recommendations is included in the Appendices to this report:
- Appendices A1 to A3 on pages 5 to 8 relate to the GLA Group
 - B1 to B3 on pages 9 to 12 to the MPA
 - C1 to C7 on pages 13 to 25 to TfL
 - D1 and D2 on pages 26 to 28 to LFEPA
 - E1 and E2 on pages 29 to 31 to the GLA
 - F1 to F5 on pages 32 to 36 to the LDA.

2 Recommendations to the Mayor

- 2.1 The Committee recommends that the Mayor should:

GLA Group

Recommendation 1 Include the full year cost of each proposed new initiative in future Consultation Budgets. (Appendix A1 on page 5 of this report)

Recommendation 2 Reconsider the Consultation Budget proposals, which require an additional £167m to be financed from Council Tax as against 2002/03, in the light of the GLA Group's underspend of £65m (not including the LDA) for the first half of 2002/03. (Appendix A2 on page 6)

Recommendation 3 Review the GLA Group's approach to identifying efficiencies and savings in the light of three of the five GLA Group authorities not meeting the initial efficiencies and savings targets set by the Mayor for the 2003/04 budget submissions. (Appendix A3 on page 8)

⁸ Paragraph 3.6 on page 7 of the Consultation Budget

⁹ Page 8 of the Committee's December 2002 scrutiny report

MPA

Recommendation 4 Justify the proposed growth in the MPA budget for police overtime of £8m (in the light of police overtime growing as officer numbers increase) and justify the proposed growth of £34m in MPA budgets for premises, transport and supplies. (*Appendix B1 on page 9*)

Recommendation 5 State what proportion of the 35,000 officers he believes are required in London should be devoted to territorial policing duties. (*Appendix B2 on page 11*)

Recommendation 6 Consider the scope for including the MPA's Best Value Review of Crime in the Draft Consolidated Budget proposals, weighing the cost of the Review against the expected benefits it would bring. (*Appendix B2 on page 11*)

Recommendation 7 State when he expects the proposed £233m of MPA centrally held budgets for 2003/04 to be allocated, as the allocation will show the numbers of officers assigned to territorial policing duties and will also affect any analysis of year-on-year budget growth. (*Appendix B3 on page 12*)

TfL

Recommendation 8 Explain why efficiency savings relating to London Underground appear to have been included in TfL's service analysis plans for 2004/05 and 2005/06 and yet costs relating to London Underground have not been included. (*Appendix C1 on page 14*)

Recommendation 9 State what the financial costs to TfL of the freeze in bus fares are forecast to be in 2003/04. (*Appendix C2 on page 18*)

Recommendation 10 Outline which of the possible approaches to dealing with the TfL funding gap (central government grant, fares, Council Tax, extended congestion charging zone, workplace parking levy, utility charges, business rates or planning gain) are being given priority. (*Appendix C2 on page 18*)

Recommendation 11 Provide details of the "enforcement efficiency" measures used to assess the Transport Policing Initiative, both in terms of the performance indicators applied to the Initiative and of comparative data looking at the arrest rates for officers involved in this Initiative as against officers performing other duties in the MPS. (*Appendix C2 on page 18*)

Recommendation 12 Assess the likelihood of continuing delays with the London Bus Initiative leading to a repeat in 2003/04 of the forecast underspend for 2002/03 (which currently stands at £11m). (*Appendix C2 on page 18*)

Recommendation 13 Outline what steps are being taken to deal with the continued costly reliance of TfL Street Management on agency staff (the forecast for the number of agency staff in place at the end of 2002/03 has more than doubled to 307 since the original budget was set and the total number of staff is forecast to be 88 over the budget figure and 81 over the headcount limit). (*Appendix C3 on page 19*)

Recommendation 14 State what Congestion Charge Scheme costs are due to be incurred by the GLA Group in 2003/04 over and above TfL's £93m operational costs. (*Appendix C4 on page 21*)

TfL (continued)

Recommendation 15 State what the impact will be on transport services if Congestion Charge Scheme revenue is less than expected. (*Appendix C4 on page 21*)

Recommendation 16 Provide evidence to support the inclusion of a figure of £50m as the cost of reducing fares for under 18s and state what impact halving fares will have on the numbers of under 18s staying on in full time education. (*Appendix C7 on page 25*)

LFEPA

Recommendation 17 Outline the scope in LFEPA for further efficiencies and service improvements as a result of modernisation initiatives. (*Appendix D1 on page 26*)

Recommendation 18 State what contingency plans there are in place should central government not fund in full either LFEPA's increased capacity requirement for responses to catastrophic acts or a firefighters' pay award of above 4%. (*Appendix D2 on page 28*)

GLA

Recommendation 19 Release the culture and children's strategies, at least in summary form, before the full Assembly meets to discuss the Draft Consolidated Budget on 22 January 2003. (*Appendix E2 on page 31*)

Recommendation 20 Assess whether now is the right time to be proposing a further £2m in new initiatives for GLA strategies and programmes work when four out of the eight strategies required by the GLA Act (waste, noise, spatial development and culture) have still not been issued in agreed form and when there have been significant delays in issuing strategies (for example, waste has been delayed by over 18 months and culture has still not been published in draft form two and a half years after the GLA came into existence). (*Appendix E2 on page 31*)

LDA

Recommendation 21 Ensure that the LDA has the processes in place which will allow it to spend up to the £99m new programme budget proposed for 2003/04. (*Appendix F2 on page 33*)

Recommendation 22 Review the proposed 13% increase in the LDA's policy and programme support budget and show the basis on which it is being proposed that £6m of policy and programme support work be recharged to programme budgets. (*Appendix F5 on page 36*)

GLA Group

GLA Group	£m
2003/04 proposed budget requirement ¹⁰	2,710.7
2003/04 budget requirement increase over 2002/03 budget requirement ¹¹	252.2
2003/04 Council Tax income to meet proposed budget requirement ¹²	654.1
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ¹³	72.6
2002/03 variance between forecast outturn and budgeted expenditure ¹⁴	(5.4)

GLA Group

- It is proposed that the GLA Group should have a budget requirement of £2,710.7m for 2003/04
- At the Committee's meeting on 14 January 2003, representatives of the London business group London First recommended that in future Consultation Budgets that the full year costs of each proposed new initiative be included. The Committee supported London First in this recommendation
- This report goes on to look at:
 - the GLA Group's underspend of £72.6m at the midpoint of 2002/03 (see Appendix A2)
 - the GLA Group's proposed efficiencies and savings of £38.7m for 2003/04 (see Appendix A3).

Recommendation 1

- Include the full year cost of each proposed new initiative in future Consultation Budgets.

¹⁰ Consolidated budget requirement analysis on page 7 of the Consultation Budget

¹¹ Consolidated budget requirement analysis on page 7 of the Consultation Budget

¹² Appendix A13 on page 52 of the Consultation Budget

¹³ Appendix A2 of this report

¹⁴ Using the "2002/03 variance between forecast outturn and budgeted expenditure" figures for each of the five GLA Group authorities in Appendices B1 (MPA), C1 (TfL), D1 (LFEPA), E1 (GLA) and F1 (LDA) of this report

Appendix A2

GLA Group expenditure against budget as at 30/09/02

GLA Group expenditure against budget as at 30/09/02 ¹⁵	£m
MPA expenditure against budget as at 30/09/02	(15.7)
TfL expenditure against budget as at 30/09/02	(44.6)
LFEPa expenditure against budget as at 30/09/02	(0.5)
GLA expenditure against budget as at 30/09/02	(3.7)
Sub-total	(64.5)
LDA expenditure against budget as at 30/09/02	(8.1)
Total	(72.6)

GLA Group underspend as at 30/09/02

- At the midpoint of the current financial year, 2003/03, the GLA Group had an underspend of £72.6m (£64.5m not including the LDA), as shown above
- The additional amount the Mayor is proposing to raise from Council Tax for 2003/04 as against 2002/03 is £167m¹⁶.

Recommendation 2

- Reconsider the Consultation Budget proposals, which require an additional £167m to be financed from Council Tax as against 2002/03, in the light of the GLA Group's underspend of £65m (not including the LDA) for the first half of 2002/03.

¹⁵ Pages 8 (MPA), 22 (LFEPa), 15 (TfL), 32 (GLA) and 27 (LDA) of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

¹⁶ Paragraph 3.6 on page 7 of the Consultation Budget

GLA Group efficiencies and savings

GLA Group efficiencies and savings ¹⁷	£m
MPA proposal for 2003/04	25.8
TfL proposal for 2003/04	7.2
LFEPa proposal for 2003/04	4.1
GLA proposal for 2003/04	1.4
LDA proposal for 2003/04	0.2
Total	38.7

GLA Group efficiencies and savings

- The GLA Group is proposing efficiencies and savings of £38.7m for 2003/04, as shown above

MPA

- The MPA is proposing efficiency savings of £25.8m for 2003/04, as shown above
- The Mayor's budget guidance did not include a target for efficiencies and savings for the MPA other than that efficiencies and other savings should be identified to restrict the Council Tax income required for the MPA to £444.3m. The MPA has achieved this

TfL

- TfL is proposing efficiencies and savings of £7.2m for 2003/04, as shown above
- The Mayor's budget guidance for TfL was to achieve efficiencies and other savings of 3% of controllable expenditure. This reflects the fact that a significant proportion of TfL expenditure is fixed in the short and medium term through contracts and franchise payments (and therefore subject to competitive pressure) and finance charges. TfL have assessed that £474m of TfL's costs can be described as controllable. The net efficiencies and savings proposed by TfL come to 1.5% of controllable expenditure, half the level required by the Mayor's initial target

LFEPa

- LFEPa is proposing efficiencies and savings of £4.1m for 2003/04, as shown above
- The Mayor's budget guidance for LFEPa was for new development proposals to be funded from efficiency savings. LFEPa has achieved £2.1m of efficiencies and savings representing no inflation increases on supplies and services and various minor running cost reductions. This covers the cost of new initiatives of £2.0m

¹⁷ Paragraphs 4.12 and 4.13 on page 12 (MPA), paragraphs 6.11 to 6.13 on page 21 (TfL), paragraphs 5.11 and 5.12 on page 15 (LFEPa), paragraph 7.11 on page 28 (GLA) and paragraph 8.16 on page 32 (LDA) of the Consultation Budget

GLA Group efficiencies and savings (continued)

GLA

- The GLA is proposing efficiencies and savings of £1.4m for 2003/04, as shown above
- The Mayor's budget guidance for the GLA was for new development proposals to be funded from efficiency savings. However, during the course of budget preparation the Mayor agreed that in light of the justification and need for the new initiatives proposed, including the emerging need for increase facilities management staff for City Hall. However, leaving aside City Hall costs, new initiatives total £3.6m and savings and efficiencies £1.4m, meaning that the GLA has not met the target initially set by the Mayor

LDA

- The LDA is proposing efficiencies and savings of £0.2m for 2003/04, as shown above
- The Mayor's budget guidance for the LDA was for budget increases for spending on administration over and above pay and other inflation to be funded from efficiency savings. However, when the extent of the LDA's expected growth as an evolving organisation was recognised, it was agreed that the target should be changed. The LDA were advised in August that they were expected to identify efficiency savings on their administration costs wherever possible and that growth on these costs would need to demonstrate value for money. Nonetheless the Committee notes that the LDA's proposed efficiencies and savings of £0.2m do not meet the Mayor's initial target.

Recommendation 3

- Review the GLA Group's approach to identifying efficiencies and savings in the light of three of the five GLA Group authorities not meeting the initial efficiencies and savings targets set by the Mayor for the 2003/04 budget submissions.

MPA

MPA	£m
2003/04 proposed budget requirement ¹⁸	2,207.8
2003/04 budget requirement increase over 2002/03 budget requirement ¹⁹	170.1
2003/04 Council Tax income to meet proposed budget requirement ²⁰	444.3
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ²¹	(15.7)
2002/03 variance between forecast outturn and budgeted expenditure ²²	7.4

MPA

- It is proposed that the MPA should have a budget requirement of £2,207.8m for 2003/04
- Under the MPA's subjective analysis²³:
 - employment costs include growth of £7.7m for police overtime
 - running expenses include growth of £24.7m for premises costs, £5.9m for transport costs and £3.4m for supplies and services, a total of £34.0m
- This report goes on to look at:
 - the proposed territorial policing budget of £944.4m (see Appendix B2)
 - the proposed centrally held budgets of £232.9m (see Appendix B3).

Recommendation 4

- Justify the proposed growth in the MPA budget for police overtime of £8m (in the light of police overtime growing as officer numbers increase) and justify the proposed growth of £34m in MPA budgets for premises, transport and supplies.

¹⁸ MPA 2003/04 budget requirement analysis on page 10 of the Consultation Budget

¹⁹ Paragraph 4.4 on page 9 of the Consultation Budget

²⁰ Appendix A13 on page 52 of the Consultation Budget

²¹ Page 8 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

²² Using net service expenditure figures, paragraph 4.5 on page 10 of the Consultation Budget

²³ Appendix A1 on page 37 of the Consultation Budget

MPA territorial policing

MPA territorial policing	£m
2003/04 proposed budget ²⁴	944.4
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ²⁵	(11.9)
2002/03 variance between forecast outturn and budgeted expenditure ²⁶	(37.1)

MPA territorial policing

- The Mayor states in his foreword to the Consultation Budget that he believes that 35,000 officers are required²⁷. It would be helpful for the Committee to know what proportion of these officers the Mayor envisages being devoted to territorial policing duties. The Committee has already asked for details of civilian support and community officers (see below)
- By the end of March 2004 the proposals would result in there being approximately 29,600 police officers and approximately 700 police community support officers (PCSOs), a total of approximately 30,300²⁸
- An underspend is forecast of £37.1m for the territorial policing budget in 2002/03, as shown above, but a significant part of this is accounted for by Hendon trainees being charged to the Human Resources budget, which is itself forecast to be overspent by £25.3m in 2002/03²⁹
- The Committee's recommended in its December 2002 scrutiny report that the Mayor should include the MPA's Best Value Review of Crime in his budget proposals. The Review would cost £11.6m over 3 years, £2.7m of which would be in the first year. It could result in £22m worth of police officer time – equivalent to 400 to 500 officers posts – being released to deal with crime. Given that the Review is not included in the Consultation Budget proposals, we ask that the Mayor consider the scope for its inclusion in the Draft Consolidated Budget.

²⁴ MPA service analysis on page 10 of the Consultation Budget

²⁵ Page 8 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

²⁶ MPA service analysis on page 10 of the Consultation Budget

²⁷ Mayor's foreword (4th paragraph) on page 1 of the Consultation Budget

²⁸ 4th bullet point on page 6 of the Consultation Budget

²⁹ MPA service analysis on page 10 of the Consultation Budget

Recommendation 5

- State what proportion of the 35,000 officers he believes are required in London should be devoted to territorial policing duties.

Recommendation 6

- Consider the scope for including the MPA's Best Value Review of Crime in the Draft Consolidated Budget proposals, weighing the cost of the Review against the expected benefits it would bring.

MPA centrally held budgets

MPA centrally held budgets	£m
2003/04 proposal ³⁰	232.9

MPA centrally held budgets

- £232.9m is given as centrally held budgets in the MPA's service analysis
- Centrally held budgets include provision for services which have yet to be allocated, including committed items of £116.5m, savings and efficiencies representing a £15.8m reduction, new initiatives of £34.2m and inflation of £73.4m³¹
- Once allocated, these centrally held budget items will show the numbers of officers assigned to territorial policing duties and will also affect any analysis of year-on-year budget growth.

Recommendation 7

- State when he expects the proposed £233m of MPA centrally held budgets for 2003/04 to be allocated, as the allocation will show the numbers of officers assigned to territorial policing duties and will also affect any analysis of year-on-year budget growth.

³⁰ MPA service analysis on page 10 of the Consultation Budget

³¹ Paragraph 4.6 on page 10 of the Consultation Budget

TfL

TfL	£m
2003/04 proposed budget requirement ³²	88.8
2003/04 budget requirement increase over 2002/03 budget requirement ³³	53.0
2003/04 Council Tax income to meet proposed budget requirement ³⁴	88.8
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ³⁵	(44.6)
2002/03 variance between forecast outturn and budgeted expenditure ³⁶	11.8

TfL

- It is proposed that TfL should have a budget requirement of £88.8m for 2003/04
- The Mayor states in his foreword to the Consultation Budget that “significant efficiency savings are now built into the Transport for London business plan”³⁷
- In 2002/03 TfL spent £9m on the consultants McKinsey’s to carry out work on potential efficiency savings. Although the focus of the review was efficiencies and savings resulting from a future merger London Underground, it also considered other possible savings and efficiencies. It is envisaged that the reorganisation of TfL resulting from the McKinsey’s review will bring net efficiencies and savings of £7.2m in 2003/04
- The TfL service analysis in the Consultation Budget contains efficiency savings figures of £42.0m for 2004/05 and £65.6m for 2005/06 which appear to be based on savings from a merger with London Underground³⁸. Costs and liabilities relating to London Underground (and also the possible transfer of British Transport Police in London) have not been included in the Consultation Budget
- The Committee, in conjunction with the Assembly’s Transport Committee, will continue to monitor developments regarding the potential TfL and London Underground merger (and the associated issue of British Transport Police in London)

³² TfL budget requirement analysis on page 18 of the Consultation Budget

³³ Paragraph 6.3 on page 18 of the Consultation Budget

³⁴ Appendix A13 on page 52 of the Consultation Budget

³⁵ TfL service analysis on page 22 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

³⁶ Using net services expenditure figures, TfL service analysis on page 19 of the Consultation Budget

³⁷ Mayor’s foreword (12th paragraph) on page 2 of the Consultation Budget

³⁸ TfL service analysis on page 19 of the Consultation Budget

Appendix C1

TfL (continued)

- This report goes on to look at:
 - the proposed surface transport budget of £691.1m (see Appendix C2)
 - the proposed Street Management budget of £429.3m (see Appendix C3)
 - the proposed Congestion Charge Scheme budget of £121.1m income (see Appendix C4)
 - the proposed rail services budget of £85.7m (see Appendix C5)
 - the proposed corporate directorates budget of £167.8m (see Appendix C6)
 - the proposed budget for under 18s fares of £50.0m (see Appendix C7).

Recommendation 8

- Explain why efficiency savings relating to London Underground appear to have been included in TfL's service analysis plans for 2004/05 and 2005/06 and yet costs relating to London Underground have not been included.

TfL surface transport

TfL surface transport	£m
2003/04 proposed budget ³⁹	691.1
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁴⁰	3.2
2002/03 variance between forecast outturn and budgeted expenditure ⁴¹	27.1

TfL surface transport

London buses

- The Mayor states in his foreword to the Consultation Budget that “bus passenger journeys are projected to increase by a further 5.6%” in 2003/04⁴²
- It is proposed that the budget for London buses increases by £257.6m⁴³, a 76% increase
- 70% of the budget increase is as a result of additional bus network costs of £181.1m⁴⁴
- The following reasons are given in the Consultation Budget for the increased costs⁴⁵:
 - Increases in the underlying costs of bus contracts
 - Improving the reliability of bus services
 - Improving the extent and frequency of the bus network
 - Development of supporting infrastructure and facilities necessary for network growth.
- The freeze in bus fares is not given as a contributory factor, but it would be helpful to the Committee for the financial impact on the freeze in fares to be made available. There follow two background information points on bus fares:
 - The Mayor’s Transport Strategy, issued in July 2001, includes the following commitment: “the approach to public transport fares over the next three years will include a bus fare freeze and capping of Underground fares in real terms. Further selective fare initiatives and reductions will be considered, as resources permits”⁴⁶
 - Information provided by TfL on trends in bus fare paid shows that payments have gone down from approximately 15 pence per km in 1999 to approximately 12 pence per km in 2002 in terms of real average fare per passenger km⁴⁷

³⁹ TfL service analysis on page 19 of the Consultation Budget

⁴⁰ Page 22 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁴¹ TfL service analysis on page 19 of the Consultation Budget

⁴² Mayor’s foreword (9th paragraph) on page 2 of the Consultation Budget

⁴³ TfL service analysis on page 19 of the Consultation Budget

⁴⁴ Appendix A6 on page 43 of the Consultation Budget

⁴⁵ Appendix A6 on page 43 of the Consultation Budget

⁴⁶ Proposal 4B.1 on page 113 of the Mayor’s Transport Strategy, July 2001

⁴⁷ TfL fare policy seminar 5 December 2002

TfL Surface Transport (continued)

Funding gap

- For 2005/06 it is forecast that TfL will have a budget requirement of £631.4m to be funded by Council Tax payers⁴⁸. The equivalent figure proposed for 2003/04 is £88.8m⁴⁹
- Increases in the London buses budget is one of the factors leading to this funding gap
- The Consultation Budget⁵⁰ summarises the steps being taken by TfL to increase funding sources:
 - Increasing traditional funding sources (central government grant, fares, Council Tax)
 - Extending the congestion charging zone, introducing a workplace parking levy
 - New sources of funding currently beyond TfL's powers (lane rentals for road works, the TIF idea – see the Crossrail section of Appendix C5 to this report, planning gain charges on developments.
- The Mayor should outline to the Committee which of these options is or are to be preferred.

⁴⁸ TfL service analysis on page 19 of the Consultation Budget

⁴⁹ TfL service analysis on page 19 of the Consultation Budget

⁵⁰ Paragraphs 6.17 to 6.19 on page 22

TfL surface transport (continued)

Transport Policing Initiative

- Funding for the Transport Policing Initiative comes from the London buses budget
- It is proposed that £25m is added to the budget for the Transport Policing Initiative in 2003/04 to make a total budget of £50m
- The Mayor states in his foreword to the Consultation Budget that the Initiative “has already proved its worth”⁵¹
- As at the midpoint of 2002/03, 341 arrests had been made (of which 148 were can enforcement arrests) and 9 corridors were covered⁵²
- The Committee’s December 2002 letter to the Mayor’s Policy Director (Best Value and Partnerships) contained the following request for information (see Appendix G2 of this report):
 - Figures showing the numbers of judicial disposals following arrests made by Transport Policing Initiative officers are requested
- The Committee would like to know if the issue of “enforcement efficiency” has been examined, both in terms of the measures used to determine the success or otherwise of the Initiative and of any comparative data looking at the arrest rates for officers performing a range of duties in the MPS.

Bus priority

- It is forecast that the TfL Bus Priority budget will be underspent by £11.1m in 2002/03⁵³
- The TfL Bus Priority Budget includes funds for the London Bus Initiative (an example of which is the introduction of the Countdown signs at bus stops)
- The Assembly’s Transport Committee report on the Congestion Charge Scheme, *Congestion Charging: the public concerns behind the politics*, noted that “we have consistently maintained that congestion charging must not be introduced until there has been a real improvement in the reliability and journey times of the vast majority of bus services serving or feeding central London ... TfL’s publicity campaign to make commuters aware of bus services in their area (part of the Congestion Charging communications strategy) is a start but there is still some way to go. For example, a quarter of all low frequency bus services still do not run on time, there have been delays to improving bus information (especially roll-out of electronic ‘Countdown’ signs) and elements of the London Bus Initiative, which aims to improve the quality of service on buses, have been much slower than anticipated”⁵⁴
- Delays to the London Bus Initiative and the projected £11.1m underspend for the TfL Bus Priority budget need to be addressed.

⁵¹ The Mayor’s foreword (5th paragraph) on page 1 of the Consultation Budget

⁵² Page 23 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁵³ TfL service analysis on page 19 of the Consultation Budget

⁵⁴ Paragraph 4.7 on page 10 of the report

Appendix C2

Recommendation 9

- State what the financial costs to TfL of the freeze in bus fares are forecast to be in 2003/04.

Recommendation 10

- Outline which of the possible approaches to dealing with the TfL funding gap (central government grant, fares, Council Tax, extended congestion charging zone, workplace parking levy, utility charges, business rates or planning gain) are being given priority.

Recommendation 11

- Provide details of the “enforcement efficiency” measures used to assess the Transport Policing Initiative, both in terms of the performance indicators applied to the Initiative and of comparative data looking at the arrest rates for officers involved in this Initiative as against officers performing other duties in the MPS.

Recommendation 12

- Assess the likelihood of continuing delays with the London Bus Initiative leading to a repeat in 2003/04 of the forecast underspend for 2002/03 (which currently stands at £11m).

TfL Street Management

TfL Street Management	£m
2003/04 proposed budget ⁵⁵	429.3
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁵⁶	(20.4)
2002/03 variance between forecast outturn and budgeted expenditure ⁵⁷	(23.5)

TfL Street Management

- It is proposed that the TfL Street Management budget rise by £14.7m in 2003/04⁵⁸
- TfL Street Management is forecast to have an underspend of £23.5m in 2002/03⁵⁹
- TfL monitoring information shows that⁶⁰:
 - the number of agency staff employed by Street Management as at the end of March 2003 was originally envisaged in the budget to be 144 but a forecast made at the end of October 2002 has put that figure at 307, double the budget
 - the total number of staff in Street Management was forecast at the end of October 2002 to be 1,036 at the end of March 2003, 88 above the budget figure and 81 above the headcount limit.

Recommendation 13

- Outline what steps are being taken to deal with the continued costly reliance of TfL Street Management on agency staff (the forecast for the number of agency staff in place at the end of 2002/03 has more than doubled to 307 since the original budget was set and the total number of staff is forecast to be 88 over the budget figure and 81 over the headcount limit).

⁵⁵ TfL service analysis on page 19 of the Consultation Budget

⁵⁶ Using Street Management figures less Congestion Charge Scheme figure, page 22 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁵⁷ TfL service analysis on page 19 of the Consultation Budget

⁵⁸ TfL service analysis on page 19 of the Consultation Budget

⁵⁹ TfL service analysis on page 19 of the Consultation Budget

⁶⁰ Street Management Advisory Panel Agenda and Papers for 7 Nov 02, issued 31 Oct 02, "Street Management Monthly Performance Report - Headcount Summary"

TfL Congestion Charge Scheme

TfL Congestion Charge Scheme	£m
2003/04 proposed budget ⁶¹	(121.1)
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁶²	(10.1)
2002/03 variance between forecast outturn and budgeted expenditure ⁶³	7.8

TfL Congestion Charge Scheme

- The Mayor states in his foreword to the Consultation Budget that the Congestion Charge Scheme (CCS) “is planned to reduce traffic flows in the congestion charging zone by 10-15% and generate revenue for transport improvements”⁶⁴
- TfL’s service analysis in the Consultation Budget⁶⁵ states that in 2003/04 CCS revenue will amount to £214.5m and operational costs will come to £93.4m, providing TfL with net revenue of £121.1m
- The Assembly’s Transport Committee recommended in its Congestion Charging Scheme report that the Scheme must deliver net revenue to fund transport initiatives
- Spending of congestion charging revenue based on the Mayor's Scheme order released on 26 February 2002 which proposed several priority areas where this revenue could be spent:
 - Bus network improvements (including interchange improvements and increases to late night public transport)
 - Improving safety, security and accessibility of public transport
 - Accelerating road and bridge maintenance programmes
 - Additional funding for borough transport initiatives (including improving the cycling, walking and street environment)
 - New tram or segregated bus services
- The Consultation Budget gives an indicative application of the net CCS revenue⁶⁶ allocates £84m to bus improvements, £4m to on bus CCTV, £6m to Safer Routes to Schools and £36m to Road Safety Plan expenditure. This totals £130m – it is proposed that the remaining £9m will come from central government transport grant
- The Committee would like to know about the CCS costs due to be incurred by TfL or any of the other GLA Group authorities in 2003/04 over and above TfL’s £93.4m operational costs and by GLA Group staff in 2003/04 who have no choice but to incur the charge

⁶¹ TfL service analysis on page 19 of the Consultation Budget

⁶² Page 22 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁶³ TfL service analysis on page 19 of the Consultation Budget

⁶⁴ Mayor’s foreword (9th paragraph) on page 2 of the Consultation Budget

⁶⁵ Page 19

⁶⁶ Appendix A10 on page 49 of the Consultation Budget

TfL Congestion Charge Scheme (continued)

- The Assembly's Transport Committee stated in its Congestion Charging Scheme report that "according to the Mayor, a decision to withdraw the Scheme could occur as early as eight weeks after its commencement. Should he choose to withdraw the scheme for reasons other than an unforeseen disaster or contractor default, TfL will be liable for compensation payments to contractors, in addition to the £200 million in start-up costs already incurred. These payments could run to hundreds of millions of pounds"⁶⁷
- The Committee, in conjunction with the Assembly's Transport Committee will continue to monitor, the financial position of CCS.

Recommendation 14

- State what Congestion Charge Scheme costs are due to be incurred by the GLA Group in 2003/04 over and above TfL's £93m operational costs.

Recommendation 15

- State what the impact will be on transport services if Congestion Charge Scheme revenue is less than expected.

⁶⁷ Paragraph 5.6 on page 11 of the report

TfL rail services

TfL rail services	£m
2003/04 proposed budget ⁶⁸	85.7
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁶⁹	(5.9)
2002/03 variance between forecast outturn and budgeted expenditure ⁷⁰	(31.9)

TfL rail services

Rail services

- The GLA Act 1999 requires the Strategic Rail Authority (SRA) to take into account the Mayor's Transport Strategy for rail services in London and empowers the Mayor to issue directions and guidance to the SRA regarding rail services in London. The Mayor's Directions and Guidance must not be implemented if they contradict or hinder the SRA from implementing the Secretary of State's own Directions and Guidance or if they would impact adversely on the SRA's finances or services outside London
- At the Assembly's Transport Committee meeting on 16 July 2002, Members provided comments on the D & G and were told that the D&G would be finalised by mid-August 2002
- A draft of the Mayor's Directions and Guidance (D & G) to the SRA were circulated once more to TfL Board Members in November 2002 and the Mayor anticipated providing them to the SRA by the end of 2002
- The London Rail Partnership Agreement was signed between TfL and the SRA on 20 December 2002 and will be included in the Mayor's D&G which are due to be finalised in the near future
- The secretariat to the joint SRA/TfL/Railtrack/Department for Transport London Programme Committee which coordinates major rail projects in London noted that major projects such as the East London Line have been delayed and the delivery of the London programme of major rail projects is falling behind schedule
- The South London Metro is a project aimed at increasing train frequencies in south London. £0.5m has been dedicated to the project for 2003/04 for its introduction on four pilot routes. It is estimated that the total cost of the project will be £7m
- The Committee, in conjunction with the Assembly's Transport Committee, will continue to monitor TfL rail services performance

⁶⁸ TfL service analysis on page 19 of the Consultation Budget

⁶⁹ Page 22 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁷⁰ TfL service analysis on page 19 of the Consultation Budget

TfL rail services (continued)

Docklands Light Railway

- The Docklands Light Railway is to be extended to City Airport then on to Woolwich Arsenal
- The Committee, in conjunction with the Assembly's Transport Committee, will continue to monitor developments with the DLR extension project

Crossrail

- Crossrail 1 is east to west, Stratford to Heathrow
- Crossrail 2 is north-east to south-west, Hackney to Chelsea
- A decision on the preferred route for Crossrail 1 has been delayed by the Crossrail Board. Even on the current timetable, Crossrail would not be operational until early 2012; any delays in determining the final route, securing financing or in the legislative process would put that timetable in doubt
- The Mayor commented at Mayor's Advisory Cabinet on 12 November 2002 that Crossrail 1 would cost £6 billion plus £3 billion in contingencies
- TfL is taking a leading role nationally in developing Tax Increment Financing (TIF). TIF is the idea that revenue from business rates – NNDR – can be used as a means of funding public transport initiatives. It is estimated that the Jubilee Line added up to £14bn in benefits for those based along its route. Should central government agree, a TIF type of scheme could be applied to Crossrail 1 or other major TfL public transport projects
- The Committee, in conjunction with the Assembly's Transport Committee, will continue to monitor developments with the Crossrail project.

TfL corporate directorates

TfL corporate directorates	£m
2003/04 proposed budget ⁷¹	167.8
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁷²	(11.4)
2002/03 variance between forecast outturn and budgeted expenditure ⁷³	(20.7)

TfL corporate directorates

Corporate directorates

- TfL's corporate directorate budget is proposed to be £167.8m in 2003/04, an increase of £42.6m on the 2002/03 budget⁷⁴
- The TfL corporate directorates budget is forecast to have a £20.7m underspend for 2002/03⁷⁵
- The McKinsey's review (see Appendix B1 of this report) proposed a new TfL structure from April 2003 with three corporate directorates (Finance and Planning, Corporate Services and General Counsel)
- The Committee, along with the Assembly's Transport Committee, will monitor the start-up expenditure charged to the corporate directorates budget including project start-up costs.

⁷¹ TfL service analysis on page 19 of the Consultation Budget

⁷² Page 22 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁷³ TfL service analysis on page 19 of the Consultation Budget

⁷⁴ TfL service analysis on page 19 of the Consultation Budget

⁷⁵ TfL service analysis on page 19 of the Consultation Budget

TfL Under 18s fares

TfL under 18s fares	£m
2003/04 proposed budget ⁷⁶	50.0

Under 18s fares

- The Mayor states in his foreword to the Consultation Budget that this scheme “will provide another incentive for young Londoners to stay on in full time education”⁷⁷
- The Committee would like the Mayor to provide evidence to support his claim that reduced fares for those under 18 will provide an incentive for them to stay on in full time education and what difference in numbers staying on the expenditure is expected to make.

Recommendation 16

- Provide evidence to support the inclusion of a figure of £50m as the cost of reducing fares for under 18s and state what impact halving fares will have on the numbers of under 18s staying on in full time education.

⁷⁶ TfL service analysis on page 19 of the Consultation Budget

⁷⁷ Mayor’s foreword (9th paragraph) on page 2 of the Consultation Budget

LFEPA

LFEPA	£m
2003/04 proposed budget requirement ⁷⁸	358.0
2003/04 budget requirement increase over 2002/03 budget requirement ⁷⁹	22.9
2003/04 Council Tax income to meet proposed budget requirement ⁸⁰	99.9
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁸¹	(0.5)
2002/03 variance between forecast outturn and budgeted expenditure ⁸²	1.0

LFEPA

- It is proposed that LFEPA should have a budget requirement of £358.0m for 2003/04
- The Consultation Budget states that "...there may also be non-cashable efficiencies through progress in delivering a modernised service to the public"⁸³. The Committee would like to hear more from the Mayor on what efficiencies and improvements may be available from modernisation
- This report goes on to look at the proposed firefighting and rescue budget of £217.2m (see Appendix D2).

Recommendation 17

- Outline the scope in LFEPA for further efficiencies and service improvements as a result of modernisation initiatives.

⁷⁸ LFEPA 2003/04 budget requirement analysis on page 13 of the Consultation Budget

⁷⁹ Paragraph 5.4 on page 13 of the Consultation Budget

⁸⁰ Appendix A13 on page 52 of the Consultation Budget

⁸¹ Page 15 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁸² Using net services expenditure figures, LFEPA service analysis on page 14 of the Consultation Budget

⁸³ Paragraph 5.12 on page 15 of the Consultation Budget

LFEPA firefighting and rescue

LFEPA firefighting and rescue	£m
2003/04 proposed budget ⁸⁴	217.2
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁸⁵	0.1
2002/03 variance between forecast outturn and budgeted expenditure ⁸⁶	1.0

LFEPA firefighting and rescue

- The Mayor has made the following assumptions in his Consultation Budget for 2003/04⁸⁷:
 - central government will fund the increased capacity requirement of up to £15m needed to respond to catastrophic acts such as terrorism
 - 4% should be built into the budget for firefighters' pay rise now, pending the final settlement figure
- The Mayor states in his foreword to the Consultation Budget that, on the issue of responding to catastrophic acts, "if the Government fails to respond positively I will have to amend my budget plans to ensure that this essential protection for Londoners can be financed"⁸⁸
- The Committee would like an idea of the contingency plans in place should central government not fund in full either LFEPA's increased capacity requirement for responses to catastrophic acts or a firefighters' pay award of above 4%
- LFEPA Members will consider the following recommendations in response to the Mayor's Consultation Budget at the Authority's meeting on 16 January 2003:
 - the Mayor be informed that the Authority requests a component budget of £357.2m subject to remaining uncertainties around the final pay settlement for firefighters and London Resilience
 - the Mayor be informed that the authority has not specifically allowed in its budget for contributing towards the Londoner newsletter and that a further report would need to be submitted to the Authority to enable LFEPA to decide whether it should contribute to this.

⁸⁴ LFEPA service analysis on page 14 of the Consultation Budget

⁸⁵ Page 15 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁸⁶ LFEPA service analysis on page 14 of the Consultation Budget

⁸⁷ Paragraph 5.3 on page 13 of the Consultation Budget

⁸⁸ Mayor's foreword (6th paragraph) on page 1 of the Consultation Budget

Recommendation 18

- State what contingency plans there are in place should central government not fund in full either LFEPA's increased capacity requirement for responses to catastrophic acts or a firefighters' pay award of above 4%.

GLA

GLA	£m
2003/04 proposed budget requirement ⁸⁹	56.1
2003/04 budget requirement increase over 2002/03 budget requirement ⁹⁰	6.2
2003/04 Council Tax income to meet proposed budget requirement ⁹¹	21.1
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁹²	(3.7)
2002/03 variance between forecast outturn and budgeted expenditure ⁹³	(0.3)

GLA

- It is proposed that the GLA should have a budget requirement of £56.1m for 2003/04
- This report goes on to look at the proposed management and support services budget of £41.2m (see Appendix E2).

⁸⁹ GLA 2003/04 budget requirement analysis on page 25 of the Consultation Budget

⁹⁰ Paragraph 7.3 on page 25 of the Consultation Budget

⁹¹ Appendix A13 on page 52 of the Consultation Budget

⁹² Page 32 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁹³ Using the net revenue expenditure figures, GLA service analysis on page 26 of the Consultation Budget

GLA management and support services

GLA management and support services	£m
2003/04 proposed budget ⁹⁴	41.2
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ⁹⁵	(3.0)
2002/03 variance between forecast outturn and budgeted expenditure ⁹⁶	(0.1)

GLA management and support services

- The Consultation Budget states that the GLA is “set up to enable the Mayor to deliver strategies dealing with London-wide issues, co-ordinate action on a London-wide basis and give effect to his priorities”⁹⁷. Focusing on the strategy delivery role, the GLA develops and implements the following Mayoral strategies:
 - Environment, Health and Equalities (the GLA Act states that these are the 3 cross-cutting themes of the GLA Group)
 - Environment strategies – the Mayor is developing and implementing 5 environmental strategies (biodiversity, air quality, waste, energy and noise). The Consultation Budget proposes additional expenditure of £0.6m on new initiatives in this area⁹⁸
 - Health – health work is channelled through the Mayor’s London-wide health body, known as the London Health Commission
 - Equalities – the GLA has a threefold role in this process:
 - Ensuring that each authority in the GLA Group addresses equalities as a priority
 - Reviewing the equalities plans for each authority
 - Working with each authority to agree appropriate targets
 - Spatial development – the Examination in Public is scheduled for March 2003
 - Culture – the Mayor is proposing an additional £0.3m for the culture strategy and culture events⁹⁹

⁹⁴ GLA service analysis on page 26 of the Consultation Budget

⁹⁵ Using GLA figure less Mayor’s Office and Assembly & Secretariat figures, GLA service analysis, page 32 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

⁹⁶ GLA service analysis on page 26 of the Consultation Budget

⁹⁷ Paragraph 7.1 on page 25 of the Consultation Budget

⁹⁸ GLA new initiative analysis on page 27 of the Consultation Budget

⁹⁹ GLA new initiative analysis on page 27 of the Consultation Budget

GLA management and support services (continued)

- Other strategies and programmes – the Mayor is proposing an additional £0.9m¹⁰⁰ on:
 - Children’s strategy £0.3m
 - Elderly people programme £0.1m
 - Human rights conference £0.1m
 - Other £0.4m
- The first drafts of the culture and children’s strategies have yet to be published, but should be released at least in summary form before the full Assembly meets to discuss the Draft Consolidated Budget on 22 January 2003
- The Committee has concerns about the proposals for another £1.8m¹⁰¹ on strategies and programmes. To take two examples, the publication of the agreed form of the Mayor’s Waste Strategy has been delayed by over 18 months¹⁰² and, after two and a half years of the GLA being in existence, the Assembly and Functional Bodies Draft (the first draft) of the Mayor’s Culture Strategy has still not been issued
- Four out of the eight strategies required by the GLA Act (waste, noise, spatial development and culture) have not been issued in agreed form.

Recommendation 19

- Release the culture and children’s strategies, at least in summary form, before the full Assembly meets to discuss the Draft Consolidated Budget on 22 January 2003.

Recommendation 20

- Assess whether now is the right time to be proposing a further £2m in new initiatives for GLA strategies and programmes work when four out of the eight strategies required by the GLA Act (waste, noise, spatial development and culture) have still not been issued in agreed form and when there have been significant delays in issuing strategies (for example, waste has been delayed by over 18 months and culture has still not been published in draft form two and a half years after the GLA came into existence).

¹⁰⁰ GLA new initiative analysis on page 27 of the Consultation Budget

¹⁰¹ Lines 1 (new programmes), 4 (environment) and 5 (culture) of the GLA new initiative analysis on page 27 of the Consultation Budget

¹⁰² The Waste Strategy was originally due to be published in agreed form in October 2001 (report of the Interim Director of Strategy to the 11 July 2000 Environment Committee). This date has now been revised to May 2003 (30 September 2002 update provided by the Mayor’s Office)

LDA

LDA	£m
2003/04 proposed budget requirement ¹⁰³	0
2003/04 budget requirement increase over 2002/03 budget requirement ¹⁰⁴	0
2003/04 Council Tax income to meet proposed budget requirement ¹⁰⁵	0
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ¹⁰⁶	(8.1)
2002/03 variance between forecast outturn and budgeted expenditure ¹⁰⁷	(25.3)

LDA

- The LDA has a nil budget requirement for 2003/04, as it is entirely funded by central government
- This report goes on to look at:
 - The proposed new programme budget of £99.1m (see Appendix F2)
 - The proposed tourism programme budget of £1.9m (see Appendix F3)
 - The proposed Single Regeneration Budget of £171.5m (see Appendix F4)
 - The proposed policy and programme support budget of £16.0m (see Appendix F5).

¹⁰³ LDA 2003/04 budget requirement analysis on page 30 of the Consultation Budget

¹⁰⁴ Paragraph 8.8 on page 30 of the Consultation Budget

¹⁰⁵ Appendix A13 on page 52 of the Consultation Budget

¹⁰⁶ Page 27 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

¹⁰⁷ Using the programme expenditure figures, LDA service analysis on page 31 of the Consultation Budget

LDA new programme

LDA new programme	£m
2003/04 proposed budget ¹⁰⁸	99.1
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ¹⁰⁹	(1.2)
2002/03 variance between forecast outturn and budgeted expenditure ¹¹⁰	0.0

LDA new programme

- New programme work has a revised budget for 2002/03 of £41.3m. At the mid-point of 2002/03, £1.0m of the £41.3m budget had been spent¹¹¹
- As at 30 September 2002, £10m of the proposed £99m budget had been committed to specific projects
- Given the rate of expenditure on new programme projects in 2002/03 and the extent of commitments for 2003/04, the Mayor will need to ensure that the LDA can spend up to the £99m new programme budget proposed for 2003/04
- The sector strategies element of the proposed new programme budget totals £13.7m with over-programming currently at £13.1m¹¹². The Committee, in conjunction with the Assembly's Economic and Social Development Committee, will continue to monitor the allocation of the sector strategies budget.

Recommendation 21

- Ensure that the LDA has the processes in place which will allow it to spend up to the £99m new programme budget proposed for 2003/04.

¹⁰⁸ LDA service analysis on page 31 of the Consultation Budget

¹⁰⁹ Page 27 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

¹¹⁰ LDA service analysis on page 31 of the Consultation Budget

¹¹¹ Page 27 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

¹¹² Appendix A12 on page 51 of the Consultation Budget

LDA tourism programme

LDA tourism programme	£m
2003/04 proposed budget ¹¹³	1.9
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ¹¹⁴	0.0
2002/03 variance between forecast outturn and budgeted expenditure ¹¹⁵	0.0

LDA tourism programme

- In December 2002 the Mayor, the LDA and the London Tourist Board agreed the second phase of a 3-year strategic plan to promote tourism in London Tourist Board. London Tourist Board agreed to develop a new business plan and step up marketing activity based on the package of £7m public funding made available by the Mayor over two years from April 2003
- In the first half of 2002/03 the Tourism Programme incurred no expenditure¹¹⁶
- The sector strategies element of the new programme budget for 2003/04 contains £6.6m for tourism, hospitality and leisure although there is a significant degree of overprogramming in that budget at present which could reduce the funds available for tourism¹¹⁷
- The Committee, along with the Assembly's Culture, Sport and Tourism Committee (which is due to begin its scrutiny work on the Mayor's tourism strategy at its 15 January meeting), will continue to monitor the LDA's tourism programme.

¹¹³ LDA service analysis on page 31 of the Consultation Budget

¹¹⁴ Page 27 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

¹¹⁵ LDA service analysis on page 31 of the Consultation Budget

¹¹⁶ Page 27 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

¹¹⁷ Appendix A12 on page 51 of the Consultation Budget. See also Appendix F2 of this report

Single Regeneration Budget

LDA Single Regeneration Budget	£m
2003/04 proposed budget ¹¹⁸	171.5
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ¹¹⁹	(5.0)
2002/03 variance between forecast outturn and budgeted expenditure ¹²⁰	(23.2)

LDA Single Regeneration Budget

- The LDA acknowledged at the Assembly's Budget Committee meeting on 3 December 2002 that recurring delays to the SRB programme (due to the actions of third parties outside the LDA's control and covering delays in major projects such as Wembley, Crystal Palace and Manor House) should be reflected in future budget plans
- The Committee, in conjunction with the Assembly's Economic and Social Development Committee, will continue to monitor budget setting for, and expenditure on, the SRB programme.

¹¹⁸ LDA service analysis on page 31 of the Consultation Budget

¹¹⁹ Page 27 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

¹²⁰ LDA service analysis on page 31 of the Consultation Budget

LDA policy and programme support

LDA policy and programme support	£m
2003/04 proposed budget ¹²¹	16.0
2002/03 variance between actual expenditure and budgeted expenditure as at 30/09/02 ¹²²	(0.4)
2002/03 variance between forecast outturn and budgeted expenditure ¹²³	0.0

LDA policy and programme support

- The proposal is for a 13% increase on the policy and programme support budget, rising from £14.1m in 2002/03 to £16.0m in 2003/04¹²⁴
- Information provided by the LDA suggests a number of reasons for the increase:
 - increased staff costs
 - new communications activities
 - extra rental costs for Devon House
- The LDA is proposing that, in 2003/04, £6.3m relating to the work of the policy and programme support team (over and above the £16.0m proposed budget) be reallocated to programme development and delivery budgets.

Recommendation 22

- Review the proposed 13% increase in the LDA's policy and programme support budget and show the basis on which it is being proposed that £6m of policy and programme support work be recharged to programme budgets.

¹²¹ LDA service analysis on page 31 of the Consultation Budget

¹²² Page 27 of the GLA Group Budget and Performance Monitoring Report (1 April 2002 – 30 September 2002)

¹²³ LDA service analysis on page 31 of the Consultation Budget

¹²⁴ LDA service analysis on page 31 of the Consultation Budget