Report to the Assembly on the Mayor's Final Draft Consolidated Budget for 2013 – 2014

Report to: **London Assembly**

Date: **25 February 2013**

Report of: **The London Assembly Green, Liberal Democrat and Labour Groups**

Proposed by: **Jenny Jones**

Seconded by: **Caroline Pidgeon**

PART A: INTRODUCTION & COMMENTARY[1]

Background
In November 2012, the London Assembly Transport Committee investigated how cycling could be made safer in London. The Committee recommended that the Mayor should allocate at least £145 million to cycling in 2013-14 (which is equivalent to 2 per cent of TfL's 2012-13 budget).

The Mayor's budget proposes a cycling budget of £104 million, leaving him £41 million short of meeting our recommendation.

For context, the Mayor's proposed capital budget for TfL for 2013-14 is £3,560 million, an increase of 17% on the previous year.

TfL has consistently found savings far exceeding its original savings targets. In the past eight years this has amounted to £600 million of unanticipated savings, with £216 million found in 2011-12. In the past TfL have brought forward tube, rail, tram and bus projects with unanticipated savings. TfL's finances and investment plans are too opaque for us to see exactly how this happens, and to identify further savings for TfL in 2013-14 in the same way that we are able to scrutinise the GLA, for example. The Transport Committee suggested that it may be possible for TfL to use future unanticipated savings to fund the increased expenditure on cycling.

The amendment proposal
We suggest TfL should prioritise cycling projects, particularly in outer London, for these extra funds in 2013-14. In order to ensure that £145 million is spent, and that cycling projects can get started as soon as possible, we propose that the Mayor increase cycle funding by £41 million in 2013-14, funded by an equivalent reduction in TfL's £1.3 billion reserves. The Mayor should instruct TfL to use future unanticipated savings to replace that money in reserves before funding future projects.

[1] This report is made up of two Parts, A and B. The text in Part A does not form part of the formal budget amendments, which are set out in Part B.

PART B: Proposal to approve, with amendments, the Final Draft Consolidated Budget for the 2013-14 financial year for the Greater London Authority and the Functional Bodies.

RECOMMENDATIONS:

FORMAL BUDGET AMENDMENT

1. The Mayor's final draft consolidated budget (together with the component budgets comprised within it) for 2013-14 be amended by the sum(s) shown in column number 3 of the table for each constituent body, as set out and in accordance with the attached Schedule.

   (These sums are the calculations under sections 85(4) to (8) of the Greater London Authority Act 1999 (as amended) ('The GLA Act') which give rise to each of the amounts mentioned in recommendations 2 and 3 below.)

2. The calculations referred to in recommendation 1 above, give rise to a component council tax requirement for 2013-14 for each constituent body as follows:

Constituent body	***Component council tax requirement***
Greater London Authority: Mayor of London	**£84,624,956**
Greater London Authority: London Assembly	**£2,600,000**
Mayor's Office for Policing and Crime	**£557,124,972**
London Fire and Emergency Planning Authority	**£128,372,269**
Transport for London	**£6,000,000**
London Legacy Development Corporation	**£0**

3. The component council tax requirements shown in recommendation 2 above, give rise to a consolidated council tax requirement for the Authority for 2013-14 (shown at Line 73 in the attached Schedule) of £778,722,197 **.**

BUDGET RELATED MOTIONS

4. [WHERE APPLICABLE, INSERT ANY OTHER BUDGET RELATED MOTIONS REQUIRED]

NOTES:

a. A two thirds majority of votes cast by those Assembly Members present and voting is required to approve any amendment to recommendations (1) to (3) above concerning the Final Draft Consolidated Budget; abstentions are not counted.

b. To approve the Final Draft Consolidated Budget, without amendment, only a simple majority of votes cast is required. Again, abstentions are not counted.

c. The income estimates calculated under section 85 5(a) of the GLA Act is presented in four parts within the statutory calculations:

- Income not in respect of government grant, council tax precept or retained business rates. This includes fare revenues, congestion charging, the Crossrail business rate supplement and all other income not received from central government, council tax precept or retained business rates. This also includes for the GLA (Mayor) the GLA's share of the aggregate forecast net collection fund surplus at 31 March 2013 reported by the 33 London billing authorities (line 6 for the Mayor, line 18 for the Assembly, line 30 for MOPAC, line 42 for LFEPA , line 54 for TfL, and line 66 for the LLDC);

- Income in respect of specific and special government grants. This includes those grants which are not regarded as general grants. This includes the GLA Transport grant for TfL and specific grants for the GLA, LFEPA and MOPAC (line 7 for the Mayor, line 19 for the Assembly, line 31 for MOPAC, line 43 for LFEPA , line 55 for TfL, and line 67 for the LLDC);

- Income in respect of general government grants. From 2013-14 this comprises Revenue Support Grant and for MOPAC only core Home Office police and principal police formula grant (line 8 for the Mayor, line 20 for the Assembly, line 32 for MOPAC, line 44 for LFEPA, line 56 for TfL, and line 68 for the LLDC); and

- Income in respect of retained business rates (line 9 for the Mayor, line 21 for the Assembly, line 33 for MOPAC, line 45 for LFEPA, line 57 for TfL, and line 69 for the LLDC).

SCHEDULE

Part 1: Greater London Authority: Mayor of London ("Mayor") final draft component budget

NOTE: Amendments to the final draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	**Mayor's Proposal**	**Budget amendment**	**Description**
(1)	£739,339,888	£	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
(2)	£5,000,000	£	estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act
(3)	£24,201,883	£	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act
(4)	£0	£	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the GLA Act
(5)	**£768,541,771**	**£**	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Mayor (lines (1) + (2) + (3) + (4) above)
(6)	-£505,863,522	-£	estimate of the Mayor's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act including the GLA share of the collection fund surplus for the 33 London council tax billing authorities
(7)	-£16,560,769	-£	estimate of the Mayor's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
(8)	-£35,847,823	-£	estimate of the Mayor's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
(9)	-£29,837,076	-£	estimate of the Mayor's income in respect of retained business rates calculated in accordance with s85(5)(a) of the GLA Act
(10)	-£95,807,625	-£	estimate of Mayor's reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the GLA Act
(11)	**-£683,916,815**	**-£**	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Mayor (lines (6) + (7) + (8) + (9) + (10) above)
(12)	**£84,624,956**	**£**	the component council tax requirement for the Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (11) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the Mayor for 2013-14 is £ 84,624,956
[insert Line 12 figure]

Part 2: Greater London Authority: London Assembly ("Assembly") final draft component budget

NOTE: Amendments to the final draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	**Mayor's proposal**	**Budget amendment**	**Description**
(13)	£7,607,000	£	estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the GLA Act
(14)	0	£	estimated allowance for contingencies for the Assembly under s85(4)(b) of the GLA Act
(15)	0	£	estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the GLA Act
(16)	0	£	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the GLA Act
(17)	**£7,607,000**	**£**	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Assembly (lines (13) + (14) + (15) + (16) above)
(18)	-£175,313	-£	estimate of the Assembly's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
(19)	£0	-£	estimate of the Assembly's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
(20)	-£2,786,405	-£	estimate of the Assembly's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
(21)	-£2,045,282	-£	estimate of the Assembly's income in respect of retained business rates calculated in accordance with s85(5)(a) of the GLA Act
(22)	£0	-£	estimate of Assembly's reserves to be used in meeting amounts in lines (13) and (14) above under s85(5)(b) of the GLA Act
(23)	**-£5,007,000**	**-£**	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Assembly (lines (18) + (19) + (20) + (21) + (22) above)
(24)	**£2,600,000**	**£**	the component council tax requirement for the Assembly (being the amount by which the aggregate at (17) above exceeds the aggregate at (23) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the Assembly for 2013-14 is: £ 2,600,000
[insert Line 24 figure]

Part 3: Mayor's Office for Policing and Crime ("MOPAC") final draft component budget

NOTE: Amendments to the final draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	**Mayor's proposal**	**Budget amendment**	**Description**
(25)	£3,269,909,331	£	estimated expenditure of the MOPAC calculated in accordance with s85(4)(a) of the GLA Act
(26)	£0	£	estimated allowance for contingencies for the MOPAC under s85(4)(b) of the GLA Act
(27)	£27,300,000	£	estimated reserves to be raised for meeting future expenditure of the MOPAC under s85(4)(c) of the GLA Act
(28)	£0	£	estimate of reserves to meet a revenue account deficit of the MOPAC under s85(4)(d) of the GLA Act
(29)	**£3,297,209,331**	**£**	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the MOPAC (lines (25) + (26) + (27) + (28) above)
(30)	-£297,100,000	-£	estimate of the MOPAC's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
(31)	-£473,789,795	-£	estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
(32)	-£1,969,194,564	-£	estimate of the MOPAC's income in respect of general government grants (revenue support grant, core Home Office police grant and principal police formula grant) calculated in accordance with s85(5)(a) of the GLA Act
(33)	£0	-£	estimate of the MOPAC's income in respect of retained business rates calculated in accordance with s85(5)(a) of the GLA Act
(34)	£0	-£	estimate of MOPAC's reserves to be used in meeting amounts in lines (25) and (26) above under s85(5)(b) of the GLA Act
(35)	**-£2,740,084,359**	**-£**	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the MOPAC (lines (30) + (31) + (32) + (33) + (34) above)
(36)	**£557,124,972**	**£**	the component council tax requirement for MOPAC (being the amount by which the aggregate at (29) above exceeds the aggregate at (35) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for the MOPAC for 2013-14 is:

£_557,124,972_____[insert Line 36 figure]

Part 4: London Fire and Emergency Planning Authority ("LFEPA") final draft component budget

NOTE: Amendments to the final draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
	Mayor's Proposal	**Budget amendment**	**Description**
(37)	£445,071,409	£	estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the GLA Act
(38)	£0	£	estimated allowance for contingencies for LFEPA under s85(4)(b) of the GLA Act
(39)	£0	£	estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the GLA Act
(40)	£0	£	estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the GLA Act
(41)	**£445,071,409**	**£**	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFEPA (lines (37) + (38) + (39) + (40) above)
(42)	-£30,100,000	-£	estimate of LFEPA's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
(43)	-£10,900,000	-£	estimate of LFEPA's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
(44)	-£163,549,533	-£	estimate of LFEPA's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
(45)	-£108,849,608	-£	estimate of LFEPA's income in respect of retained business rates calculated in accordance with s85(5)(a) of the GLA Act
(46)	-£3,300,000	-£	estimate of LFEPA's reserves to be used in meeting amounts in lines (37) and (38) above under s85(5)(b) of the GLA Act
(47)	**-£316,699,140**	**-£**	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFEPA (lines (42) + (43) + (44) + (45) + (46) above)
(48)	**£128,372,269**	**£**	the component council tax requirement for LFEPA (being the amount by which the aggregate at (41) above exceeds the aggregate at (47) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for LFEPA for 2013-14 is: £ 128,372,269
[Insert Line 48 figure]

Part 5: Transport for London ("TfL") final draft component budget

NOTE: Amendments to the final draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	Mayor's proposal	Budget amendment	Description
(49)	£6,731,775,000	£6,772,775,000	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the GLA Act
(50)	£0	£	estimated allowance for contingencies for TfL under s85(4)(b) of the GLA Act
(51)	£0	£	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the GLA Act
(52)	£0	£	estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act
(53)	**£6,731,775,000**	**£6,772,775,000**	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the TfL (lines (49) + (50) + (51) + (52) above)
(54)	-£4,773,000,000	-£	estimate of TfL's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
(55)	-£1,150,000,000	-£	estimate of TfL's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
(56)	£0	-£	estimate of TfL's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
(57)	-£802,775,000	-£	estimate of TfL's income in respect of retained business rates calculated in accordance with s85(5)(a) of the GLA Act
(58)	£0	-£41,000,000	estimate of TfL's reserves to be used in meeting amounts in lines (49) and (50) above under s85(5)(b) of the GLA Act
(59)	**-£6,725,775,000**	**-£6,766,775,000**	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for TfL (lines (54) + (55) + (56) + (57) + (58) above)
(60)	**£6,000,000**	**£**	the component council tax requirement for TfL (being the amount by which the aggregate at (53) above exceeds the aggregate at (59) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for TfL for 2013-14 is: £_6,000,000_____
[insert Line 60 figure]

Part 6: London Legacy Development Corporation ("LLDC") draft component budget

NOTE: Amendments to the draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	**Mayor's proposal**	**Budget amendment**	**Description**
(61)	£44,200,000	£	estimated expenditure of LLDC for the year calculated in accordance with s85(4)(a) of the GLA Act
(62)	£0	£	estimated allowance for contingencies for LLDC under s85(4)(b) of the GLA Act
(63)	£0	£	estimated reserves to be raised for meeting future expenditure of LLDC under s85(4)(c) of the GLA Act
(64)	£0	£	estimate of reserves to meet a revenue account deficit of LLDC under s85(4)(d) of the GLA Act
(65)	**£44,200,000**	**£**	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LLDC (lines (61) + (62) + (63) + (64) above)
(66)	-£38,700,000	-£	estimate of LLDC's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
(67)	£0	-£	estimate of LLDC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
(68)	£0	-£	estimate of LLDC's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
(69)	£0	-£	estimate of LLDC's income in respect of retained business rates calculated in accordance with s85(5)(a) of the GLA Act
(70)	-£5,500,000	-£	estimate of LLDC's reserves to be used in meeting amounts in lines (61) and (62) above under s85(5)(b) of the GLA Act
(71)	**-£44,200,000**	**-£**	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (66) + (67) + (68) + (69) + (70) above)
(72)	**£0**	**£**	the component council tax requirement for LLDC (being the amount by which the aggregate at (65) above exceeds the aggregate at (71) above calculated in accordance with section 85(6) of the GLA Act)

The final draft component council tax requirement for LLDC for 2013-14 is: £___0_____
[insert Line 72 figure]

Part 6: The Greater London Authority ("GLA") final draft consolidated council tax requirement calculations

NOTE: Amendments to the final draft consolidated council tax requirement will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

1	2	3	4
Line	**Mayor's proposal**	**Budget amendment**	**Description**
(73)	**£778,722,197**	**£**	the GLA's consolidated council tax requirement (the sum of the amounts in lines (12) + (24) + (36) + (48) +(60) +(72) calculated in accordance with section 85(8) of the GLA Act

The final draft consolidated council tax requirement for 2013-14 is: £778,722,197
[insert Line 73 figure]