

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2268

Title: Mayoral component budget 2018-19

Executive Summary:

The Mayor's approval is sought for the detailed allocation of his component budget for 2018-19.

Decision:

That the Mayor approves:

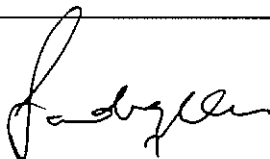
- (i) The revenue budget for 2018-19 as at Appendix A to this decision form;
- (ii) The revenue programmes for 2018-19 as at Appendix B to this decision form; and
- (iii) The capital programmes for 2018-19 as at Appendix C to this decision form.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

29/4/18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Mayoral component budget 2018-19

Background

- 1.1 The budget for 2018-19 is being agreed by the Mayor in March 2018 via this decision form – having first been considered by the London Assembly in three draft forms (November 2017, January 2018 and February 2018) – so that it is in place before the beginning of the 2018-19 financial year on 1 April 2018 and so that the accompanying detailed budgets at unit level can be communicated to budget holders accordingly. The Assembly approved the allocation of its budget on 20 March 2018.
- 1.2 All budget holders will be expected to sign off their budget allocation in April 2018. This is so that there is a record of budget holders affirming the level of resources allocated to them and agreeing to monitor spend against budget during the financial year.

Mayoral component budget 2018-19

- 1.3 The budget proposals represent the second budget set by this Mayorality and builds on the plans set out for 2017-18.
- 1.4 The proposals support the Mayor's ambitions to further London's success, entrepreneurial spirit, thriving economy, extraordinary diversity and creativity, tolerance and openness to the world. They aim to address the huge challenges and strain this success has brought in areas like housing, health, education and the environment, the increasing social inequalities and the growing risks of economic exclusion which many Londoners face. The budget is built around the vision of a London where no community feels left behind and where everyone has opportunities to fulfil their potential.
- 1.5 The budget has been developed in a transparent fashion with plans published in three draft forms already, as noted above. The previously presented draft budget has been updated to reflect the implications in terms of slippage and changes to the incidence of net expenditure reported in the most recent financial monitoring (the end of the third quarter of 2017-18). The budget also incorporates the latest position on revenue-capital swaps to reflect the funding arrangements for some of the GLA's major programmes, including the Good Growth Fund and certain environmental projects.
- 1.6 A detailed budget is being presented for 2018-19 via this decision form along with indicative budgets for the following three financial years. Further details are appended:
- Appendix A – The revenue budget for 2018-19;
 - Appendix B – The revenue programmes for 2018-19;
 - Appendix C – The capital programmes for 2018-19; and
 - Appendix D – The movements on GLA reserves.

Outstanding issues

- 1.7 There are comparatively few outstanding issues for the 2018-19 GLA budget. Issues were flagged in a transparent manner as and when they arose in late 2017 and early 2018. Full provision has been made for all corporate budget pressures arising, including those in the following areas:
- Additional accommodation in Union Street and transformation costs in City Hall;
 - Future annual staff pay awards; and
 - Contingencies for major London events which are either supported by the Greater London Authority (GLA) or run directly by the GLA.

- 1.8 The principal outstanding budget item relates to the Government's proposed devolution of the Adult Education Budget to the GLA from part way through 2019-20 (i.e. 1 August 2019). The Government has recently undertaken a statutory consultation with the London Assembly, London Boroughs and the Corporation of London and an announcement is expected in the coming months.
- 1.9 The GLA has agreed with the Department for Education (DfE) that preparatory costs arising in 2018-19 from this proposed devolution will be – in broad terms – shared between DfE and the GLA. The budget will be updated to reflect this arrangement once it is clear what the quantum of those costs is and what share is agreed between the two parties.

Capital budget

- 1.10 The capital budget has been updated to reflect: (i) the 2018-19 contribution to Museum of London capital works; and (ii) the latest position on the Air Quality and Commercial Boiler initiatives.

2. Equality comments

- 2.1 Compliance with the Equality Act is an iterative process. In setting the GLA budget, the process includes identifying and actively considering potential detrimental impacts (if any) that may arise for individual protected groups in the implementation of individual policies, programmes and projects and what mitigations (if any) could be implemented to address them at a level proportionate to the decision being taken.

3. Financial comments

- 3.1 Financial issues are integral to this decision. There are areas of risk and uncertainty, particularly in respect of the GLA's group-wide responsibilities in respect of the system of business rates retention. The risks are mitigated by the existence of appropriate reserves. Overall, following a lengthy budget development process, the estimates and budgetary provisions represent reasonable and necessary financial provisions. The level of reserves is judged prudent in the context of known future liabilities, risks and funding uncertainties and will be kept under review.

4. Legal comments

- 4.1 Section 127 of the GLA Act requires the Authority to make arrangements for the proper administration of its financial affairs. The chief finance officer has responsibility for the administration of those affairs.

Appendices and supporting papers:

- Appendix A: The GLA revenue budget for 2018-19
- Appendix B: The GLA revenue programmes for 2018-19
- Appendix C: The GLA capital programmes for 2018-19
- Appendix D: The movements on GLA reserves

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Tom Middleton has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was considered by the Corporate Investment Board on 26 March 2018.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. J. Ollé

Date

26.3.18

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

26/3/2018.