

GLA Budget for 2019-20

April 2019

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1. Executive summary

- 1.1 There is no net growth in the 2019-20 GLA: Mayor budget, with £6.9m of new activities being fully funded by £3.0m of savings proposals and a £3.9m increase in treasury management returns for 2019-20. In terms of the latter, this increase is within the range of forecasts made by the Authority's expert advisers and is lower than the forecast level of income for 2018-19. In the 2019-20 GLA: Assembly budget, the Assembly has an additional revenue requirement of £0.2m against the spending limit set by the Mayor, to be funded from reserves.
- 1.2 There is a strong focus on delivery across the GLA's five priority areas in this budget: housing; air quality; culture and creative industries; future economy and good growth; and social integration. Given the timing of this budget in the administrative cycle, and the GLA's focus on the continued delivery of the ambitious programme set out in the Mayor's statutory strategies and elsewhere, there are only a small number of new activities requiring new funding. Details of these new activities and the savings proposals are set out in the directorate sections.
- 1.3 This document includes a forecast of available reserves, including how reserves are expected to be used to support the budget proposals.
- 1.4 The document also includes a capital strategy which meets the new requirement set by CIPFA's Prudential Code for Capital Finance in Local Authorities.
- 1.5 This budget includes 99 additional permanent posts for inclusion on the GLA establishment. Of the 99 posts, 66 are externally funded. Consultation has already commenced with the Mayor and the Assembly on the establishment of these new posts.
- 1.6 The budget has been finalised this year in the context of the Quarter 3 dashboard and finance reports. These were made available to the Assembly on 19 February, in line with the 35-day reporting timetable.
- 1.7 New funding of £1.5m has been put aside in this budget as transformation funding for some of the Chief Officer's priorities. The principal use of this will be to ensure that sufficient investment is made in IT, HR and FM modernisation and capacity.

2. Introduction

GLA component budgets

- 2.1 The table below lays out the spending limits set by the Mayor for the two GLA component budgets prior to the 2019-20 budget being set.

£m	2019-20	2020-21	2021-22	2022-23
GLA: Mayor	130.9	130.4	141.2	141.2
GLA: Assembly	7.8	7.9	7.9	7.9
GLA: Total	138.7	138.3	149.1	149.1

Capital strategy

- 2.2 A capital strategy is set out in Appendix 4.

Equalities

- 2.3 In line with the Mayor's *Inclusive London* Equality, Diversity and Inclusion strategy, the GLA budget includes provision for a wide range of measures which will have positive equalities outcomes, including:
- Significant commitments on affordable and family-sized housing;
 - Work with employers and others to ensure that London's economy is fair and inclusive including through the Good Work Standard and promotion of the London Living Wage, as outlined in the Mayor's draft Economic Development Strategy;
 - A social integration programme that includes reducing inequality as a key component;
 - The promotion of volunteering as a path to acquiring skills and accessing new employment opportunities;
 - Supporting skills development through the delegated Adult Education Budget and apprenticeships;
 - Giving young people the best chances by investing in London's further education sector and support for a wide range of programmes through the Young Londoners Fund; and
 - Work to reduce health inequalities, in line with the Mayor's Health Inequalities Strategy.
- 2.4 Equalities impacts will continue to be considered when individual programmes and project specifications are developed and approved through the Authority's decision-making processes.

New activities funded in this budget

2.5 New activities funded by the GLA in this revenue budget total £6.9m:

Item	Directorate	Amount (£000)
Grenfell response, rough sleeping and private rented sector: staffing	H&L	192
Expanded rough sleeping services	H&L	1,076
Air quality programmes	DEE	154
Growth and Infrastructure staffing	DEE	262
London Office of Technology & Innovation	C&I	100
City Intelligence unit: staffing	C&I	78
European Londoners portal & migration post	C&I	167
Londoners with insecure status	C&I	370
Community engagement staffing	C&I	52
Philanthropy	C&I	123
Chief Officer's transformation fund	Chief Officer	1,500
London Situational Awareness	Chief Officer	500
Technology Group staffing	Chief Officer	300
Technology Group: licencing, cloud and digital	Chief Officer	400
Human Resources staffing	Chief Officer	300
Facilities Management	Chief Officer	780
Procurement shared service: commitments	Resources	305
Legal shared service: commitments	Resources	200
Total		6,859

2.6 The GLA received additional budget of £28.7m in February 2019 as a result of income received at a GLA Group level from Business Rates and Council Tax in London. In the Group budget setting process, the additional budget was allocated to the GLA in 2018-19. There has since been an opportunity to profile the expenditure associated with that additional budget over the coming four financial years as shown in the table below. These amounts are incorporated into the GLA budget and are in addition to the 2019-20 growth shown in the table above and repeated in the directorate sections.

Item	Directorate	Amount 2019-20 £000	Amount 2020-21 £000	Amount 2021-22 £000	Amount 2022-23 £000
London Borough of Culture	C&I	400	700	1,700	2,100
Crowdfunding	DEE	800	300	0	0
Capital programme reserve	Reserves	14,300	0	0	0
RE:FIT	DEE	300	600	600	300
Rough Sleeping: New initiatives	H&L	1,000	3,000	0	0
Rough Sleeping: Extra capacity	H&L	2,000	0	0	0
Provision for College Campus sale	DEE	700	0	0	0
Total		19,400	4,600	2,300	2,400

2.7 New activities not directly funded by the GLA total £197.7m:

Item	Directorate	Amount £000	Funding source
Affordable housing delivery and development of land: staffing	H&L	2,221	GLAP & Government grant
Royal Docks delivery: staffing	H&L	1,081	Enterprise Zone business rates growth
Co-ordination of development and infrastructure works	DEE	360	Lane rental charges
Adult Education Budget (AEB) *	DEE	192,000	Government grant
Euro 2020	C&I	1,779	Major events reserve
Shared service: GLA provision of LLDC IT service	Chief Officer	300	LLDC
Total		197,741	

* AEB operates on an education year starting on 1 August. Devolution of AEB in London begins on 1 August 2019. The Government has written to the Mayor confirming that the grant for the GLA's financial year 2019-20 will be £192m. The full academic year equivalent is £306m. For the GLA's financial year 2020-21, there will be a separate and additional element of the grant amounting to £5m in the related area of continuing learners, giving a full year equivalent total of £311m.

Savings in this budget

2.8 Savings total £3.0m:

Savings items	Directorate	Amount (£000)	Notes
Directorate minor programme budget	DEE	929	Proposed saving based on current levels of spending.
Directorate programme budget	DEE	343	Programme overbudgeted for.
Directorate pay budget	C&I	129	Pay overbudgeted for.
Directorate programme budget	C&I	1,390	Programme overbudgeted for.
Directorate minor programme budget	C&I	200	Directorate wide saving based on current levels of spending.
Total		2,991	

2.9 In addition, a capital saving of approximately £1m has been achieved by the project to move GLA data storage to the cloud (which is funded from the revenue budget).

- 2.10 These budget proposals include financial provision for the additional 99 permanent posts listed below. Of the 99 posts, 66 posts are either externally funded or funded by GLAP. The Mayor and Assembly are being consulted on the establishment of these posts.

Directorate	New permanent posts
Housing & Land (H&L)	58
Development, Enterprise & Environment (DEE)	8
Communities & Intelligence (C&I)	2
Mayor's Office	0
Chief Officer	31
Resources	0
Assembly Secretariat	0
Total	99

- 2.11 As part of a new approach to budgeting for posts, and to ensure that GLA support functions are properly resourced, IT, HR and FM direct on-costs will in future be added to the departmental costings for new posts. The charge will be £6k per post with £3k of that assigned to IT, £2k to HR and £1k to FM.

3. **Housing & Land (H&L) directorate**

Responsibilities of the directorate

- 3.1 The Mayor's London Housing Strategy sets out five key priority areas of work for the which determine the responsibilities of the directorate:
- Building homes for Londoners;
 - Delivering genuinely affordable homes;
 - High quality homes and inclusive neighbourhoods;
 - A fairer deal for private renters and leaseholders; and
 - Tackling homelessness and helping rough sleepers.
- 3.2 The three **Investment and Operations Area Teams** (North East, North West and South) are responsible for the delivery of the Affordable Housing programmes and investments to achieve the priorities of the Housing Strategy and the London Plan. Together, these teams deliver the largest direct investment programme in the GLA. They are also responsible for the partnering relationships with London boroughs on these issues and with all social housing providers operating in London.
- 3.3 The **Housing Team** is responsible for delivering the policies in the Housing Strategy, along with providing programme management support across all H&L activity, overseeing legal and property due diligence and contracting complex financial investments into housing. The team also commissions and administers the GLA's housing services including rough sleeping, tenant mobility and rental sector interventions.
- 3.4 The **Strategic Projects and Property Team** is responsible for the GLA's land holdings and major development projects including Silvertown Quays, Royal Albert Dock and Greenwich Peninsula, overseeing the Mayor's Land Fund (£250m), providing lead property expertise to the wider GLA Group including Transport for London (TfL) and the Old Oak and Park Royal Development Corporation (OPDC), and hosts the London Estates Delivery Unit (LEDU) which is working with NHS partners as a key component of the wider NHS devolution agreement that was agreed between the government and the Mayor in November 2017.

Performance 2018-19, year to date

- 3.5 In line with the primary responsibilities set out above, the Directorate delivers a diverse range of programmes. It delivers against one of the priority themes reported through the quarterly monitoring process: affordable housing. Current progress is summarised in the Q3 reports.

Directorate delivery priorities for 2019-20

- 3.6 The Directorate's key delivery priorities for 2019-20 are set out in this section. Almost all the funding required for these priorities has been approved in previous budget rounds. There are two exceptions to this which are laid out below.

- 3.7 Affordable housing
- Support starts on site for at least 17,000 genuinely affordable homes by 31 March 2020 within the context of a further extension of the Affordable Housing Programme to 116,000 starts (from 90,000) by 2022.
- 3.8 Mayor's Land Fund
- Ensure at least 15 acquisition/assembly interventions to be funded are considered by the Housing & Land Investment Committee by 31 March 2020 to support affordable land building.
- 3.9 Additional funding programmes
- Continue to negotiate funding settlements with Government focused on land related activities. Targets for 2019-20 will be set when the settlements are known.
- 3.10 Housing Infrastructure Fund (HIF)
- Secure decisions, through detailed business cases, on all London HIF bids related to more than £1bn of funding allocated by Government for investment in London.
- 3.11 Major development projects
- Schemes such as Barking Riverside (10,800 homes), Greenwich Peninsula (16,000 homes), Royal Docks (8,000 homes) and Blackwall Reach (1,500 homes) are included here;
 - The 2019-20 priority is to facilitate starts of 4,000 homes of all tenures by 31 March 2020; and
 - To secure the planned housing and regeneration at the Royal Docks, 18 posts are being created. Although those appointed to these posts will be GLA employees, all the posts will be funded from ring-fenced funds raised from businesses in the Royal Docks Enterprise Zone.
- 3.12 Land Assembly Centre of Excellence
- Agree terms for the Land Assembly Centre of Excellence which will provide technical advice, support, and potentially other services to Local Authorities and other public-sector agencies in acquiring land, including through CPO; and
 - Each Investment and Operations Area Team to identify one area of focus and produce an outline action plan.
- 3.13 Post Grenfell Cladding Fund
- Facilitate drawdown of 2019-20 allocated funding from the Ministry for Housing, Communities and Local Government (MHCLG) for all agreed schemes to replace ACM cladding on social housing units in London.

3.14 London Estates Delivery Unit (LEDU)

- The LEDU team is hosted within the H&L directorate with a responsibility to progress NHS estates devolution, enabling London to manage a devolved capital budget, to reinvest capital receipts and to release surplus NHS land for the delivery of new homes.

3.15 Rough sleeping services

- Continue to implement the proposals already outlined in the Mayor's Plan of Action;
- Expand GLA rough sleeping services in 2019-20. This will include introducing a new rapid response outreach team, additional assessment hubs and improving winter provision.; and
- Continue to work to secure additional funding for rough sleeping services from Government.

3.16 Private rented sector (PRS)

- Continue to work to persuade Government to progress rental reform.

Directorate summary

- 3.17 New activities funded by the GLA are shown in the table below – four new posts are required in the areas of Grenfell response, rough sleeping and PRS:

Item	Amount (£000)
4 posts covering: Grenfell response (1 post), rough sleeping* (2) and PRS (1)	192
Expanded rough sleeping services	1,076
Total	1,268

** 1 of the 2 rough sleeping posts to be funded by MHCLG*

- 3.18 New activities funded from external sources and GLAP are shown in the table below:

Item	Amount £000	Funding source
Affordable housing delivery and development of land: 36 posts	2,221	GLAP & Government grant
Rough Sleeping: Extra capacity	2,000	Business Rates
Rough Sleeping: New initiatives	1,000	Business Rates
Royal Docks delivery: 18 posts	1,081	Enterprise Zone
Total	6,302	

Summary of additional staffing

- 3.19 New posts are required primarily to deliver increased and challenging housing and land development targets laid out in the light of significant extra funding from Government for London. Fifty-eight new posts are required in total in 2019-20. This is in keeping with the approach being adopted by Homes England, which is recruiting more extensively so it can meet similarly challenging targets elsewhere.

Area	New permanent posts
Affordable housing delivery and development of land	36
Royal Docks	18
Grenfell, rough sleeping, PRS	4
Total	58

Revenue budget

- 3.20 The directorate's net revenue budget is as shown in the table below.

	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
Housing and Land	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Strategic Projects and Property	1,836	2,314	2,234	2,257	1,717	1,755
Housing & Land Director	199	215	203	206	211	216
Housing	15,112	17,052	23,698	19,835	15,566	15,625
North East Area	807	912	985	1,011	1,030	1,069
North West Area	766	767	898	953	966	1,002
South Area	743	845	916	947	960	994
Directorate Expenditure	19,463	22,105	28,934	25,209	20,450	20,661

Note:

1. The proposed directorate programme budgets are provided in Appendix 2.
2. All directorate revenue budgets, as revised at Q3 2018-19, incorporate the slippage agreed from 2017-18 to 2018-19.

Capital budget

3.21 The directorate's capital budget is as shown in the table below.

Housing and Land	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Affordable Homes Programme (16-22)	221,800	381,743	529,575	600,000	1,036,000	1,823,700
Housing Zone loans	99,730	100,720	106,277	0	0	0
Housing Zone grant, including recoverable grant	81,652	89,950	106,730	95,222	0	0
Community Led Housing	1,620	1,620	17,160	10,300	4,000	1,000
London Housing Bank	45,306	45,306	0	0	0	0
Small Sites Capital Programme	0	2,880	4,680	4,320	0	0
New Land Fund (MHCLG)	0	133,800	146,800	85,000	60,000	60,000
Homelessness Change and Platform for Life	9,480	9,690	6,038	2,010	2,010	0
Care and Support Specialised Housing	23,980	31,000	24,000	24,200	0	0
Move-on	0	0	6,250	6,250	34,375	0
Royal Docks	600	400	22,806	44,359	37,738	50,091
Land & Property programme Capital expenditure	6,615	6,640	30,308	13,105	5,000	5,000
Land Fund Capital expenditure	0	63,800	125,500	0	0	0
LLDC JV Transfer to GLAP	1,200	1,200	2,200	2,200	4,500	12,900
Directorate Expenditure	491,983	868,749	1,128,324	886,966	1,183,623	1,952,691

Notes:

1. An explanation of the above programmes is included in the capital strategy at Appendix 4.
2. The table includes additional approved funding as part of the revised budget at Q3.

4. Development, Enterprise & Environment (DEE) directorate

Responsibilities of the directorate

- 4.1 The Development, Enterprise and Environment directorate is responsible for helping drive the Mayor's vision of good growth – the benefits of which all Londoners can shape and share in their local communities and which are environmentally sustainable. Teams in the directorate deliver this in two ways.
- 4.2 Firstly, through policies to improve the built and wider environment. This includes programmes to deliver: the best air quality of any comparable major world city; better and more green spaces; improved local places and high streets; inspiring public realm; and infrastructure to make it easier for people to move around and do business across London.
- 4.3 Secondly, through interventions to support and drive London's future economy to ensure it is fairer and more inclusive. This includes programmes, policies and strategies to ensure that London has an internationally competitive business environment and is a global leader in innovation and creativity by: attracting and supporting businesses of all sizes; boosting training in the skills London needs to grow; targeting training to the Londoners who need it most; supporting London's business sectors; and making London the best place to work for all employees.
- 4.4 The **Environment** team delivers the London Environment Strategy through: direct delivery programmes; working and influencing London boroughs and other stakeholders; and working alongside TfL to deliver major environmental improvements.
- 4.5 The **European Programmes Management** team manages London's €€750m allocation of EU funding, through the European Social Fund which supports employment and skills projects, and the European Regional Development Fund which supports enterprise, environment and regeneration projects. These programmes will continue until 2023.
- 4.6 The **Growth and Infrastructure** team works to support London's sustainable growth through planning its strategic infrastructure needs – including digital connectivity, identifying funding options, promoting coordination and assessing the impact of innovation, skills' needs and the various regulatory regimes.
- 4.7 The **Planning** team is responsible for the creation and implementation of the London Plan, delivered in partnership with London boroughs and the OAPFs/Growth Strategies to transform London's regeneration areas. The Planning Unit also receives and manages referrals of the largest applications in London and advises the Mayor on compliance with the London Plan and his ability to influence the planning process, including delivering housing, infrastructure, economic growth and environmental improvements. The Planning Unit is also leading on the automation of the London Development Database.
- 4.8 The **Regeneration and Economic Development** team is overseeing the development and implementation of the Economic Development Strategy. It is responsible for delivering projects to empower people, grow prosperity and help make better places. It also supports growth and innovation across London's sectors and ensures the needs of London's business are reflected in policy.

- 4.9 The **Skills and Employment** team is responsible for delivering the Mayor's commitments in relation to Skills and Employment. This includes delivering the devolved AEB from August 2019 in line with the Skills for Londoners Strategy.
- 4.10 The **Transport** team supports the delivery of the Transport Strategy by working with TfL to ensure that Mayoral transport policies are prioritised and delivered.

Performance 2018-19, year to date

- 4.11 In line with the primary responsibilities set out above, the directorate delivers a diverse range of programmes. It delivers against two of the five priority themes: air quality and future economy. Current progress is summarised in the Q3 reports, which include an additional dashboard for environment.

Directorate delivery priorities for 2019-20

- 4.12 The directorate's key delivery priorities for 2019-20 are set out in this section. Almost all the funding required for these priorities has been approved in previous budget rounds. There are two exceptions to this, highlighted below.
- 4.13 Environment – air quality:
- Launching the Ultra Low Emission Zone in central London in April 2019;
 - Delivering five borough-led and five business-led Low Emission Neighbourhoods (LENs) by Spring 2019. Then, over the next three years, a further four borough-led LENs will be delivered;
 - Delivering air quality audits at 20 nurseries by April 2019 and completing a trial of filtration systems at five nurseries (subject to feasibility study) by September 2019; and
 - Continuing other programmes to improve air quality and fulfil the Mayor's statutory duties. These include: continuing the air quality duty forecaster and alerts service provided by King's College London; establishing a new Combined Heat and Power plant register; undertaking enhancements to the London Atmospheric Emissions Inventory; and hosting the next meeting of the C40 Air Quality Network. This work requires additional funding of £154,000 (in 2019-20) and £94,000 (in 2020-21).
- 4.14 Environment – Energy and carbon reduction:
- Launching the Energy for Londoners supply company in winter 2019; and
 - Launching a new home energy efficiency programme (which will succeed RE:NEW) in summer 2019.
- 4.15 Environment – Green spaces and waste reduction:
- Delivering at least 100 new drinking fountains by quarter one of 2021-22, of which the first tranche will start to be delivered from June 2019; and
 - Continuing with the major tree planting programmes and improving green spaces, to help deliver the Mayor's commitment to ensure London is declared a National Park City in July 2019.

4.16 European Programmes Management:

- £50m of European Regional Development Fund claims paid by December 2019;
- £129m of European Social Fund claims paid by December 2019; and
- Second tranche of £10.75m ERDF drawn down for the Mayor's Energy Efficiency Fund by March 2020.

4.17 Growth and Infrastructure:

- Support TfL to procure a new core fibre network on the Underground to enable 4G on the Tube and widen full fibre access to businesses and residents across London as well as undertaking wider strategic infrastructure work, supported by new funding of £0.3m to ensure the team has the posts and skills required; and
- Better co-ordination of development and infrastructure works through a new co-ordination team of six posts, costing £0.4m and funded by lane rental charges to be met by utility companies and not representing a call on GLA funds or the public.

4.18 Planning:

- Take the London Plan through the Examination in Public by Q1 2019-20;
- Deliver the New London Plan by Q4 2019-20;
- Deliver the Thamesmead, Bexley Riverside and Isle of Dogs Opportunity Area Frameworks by Q4 2019-20;
- Prioritise and develop funding options to support additional opportunity areas across London by Q2 2019-20; and
- Deliver the automation of the London Development Database by Q4 2019-20.

4.19 Regeneration and Economic Development:

- Work with the London Economic Action Partnership to allocate the £324m Local Growth Deal Funds through the Good Growth Fund and other funds by March 2020;
- Deliver the Good Work Standard and begin a programme of engagement to sign up London employers to the Standard;
- Invest and promote enterprise and entrepreneurship through the London Economic Action Partnership's London Growth Hub business support programme; and
- Work with London & Partners (L&P) to deliver their 2019-20 targets of gross value added, and audience and brand engagement and perception.

4.20 Skills and Employment:

- Allocate and monitor the Adult Education Budget in line with Mayoral policies to meet the needs of London's businesses;
- Deliver the £71m co-financing European Social Fund programmes to support young Londoners and Londoners from diverse ethnic and disadvantaged backgrounds gain the skills they need to progress;
- Ensure the digital talent programme delivers its 2019-20 targets; and

- Allocate funding to deliver the Mayor's Construction Academy and apprenticeship programmes

4.21 Transport:

- Work alongside TfL to help deliver Mayoral key objectives for 2019-20.

Directorate summary

4.22 New activities funded by the GLA are shown in the table below:

Item	Amount (£000)
Air quality programme	154
Growth and Infrastructure staffing*: 2 posts	262
Total	416

** 5 fixed-term posts are to be directly funded rather than funded from the directorate minor programme budget, 2 posts are to be deleted & 2 posts are to be created*

4.23 New activities funded from external sources are shown in the table below:

Item	Amount £000	Funding source
Co-ordination of development and infrastructure works: 6 posts	360	Lane rental charges
Crowdfunding	800	Business Rates
Provision for College Campus Sales	700	Business Rates
RE: FIT	300	Business Rates
Total	2,160	

4.24 Savings are shown in the table below:

Savings items	Amount (£000)	Notes
Directorate minor programme budget	929	Proposed saving based on current levels of spending.
Directorate programme budget	343	Programme overbudgeted for.
Total	1,272	

4.25 New permanent posts are shown in the table below:

Area	New permanent posts
Growth and Infrastructure	2
Co-ordination of development and infrastructure works	6
Total	8

Revenue budget

4.26 The resulting draft net revenue budget for the directorate is shown here:

Development, Enterprise and Environment	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Executive Director	1,447	876	979	982	986	990
Environment	15,331	37,087	14,232	8,238	7,612	7,265
European Programmes	0	20	1,462	1,484	1,519	1,564
Management Unit (EPMU)						
Government funding for LEAP & EPMU	0	-625	-2,128	-2,143	-2,164	-2,195
Growth & Infrastructure	253	591	758	748	798	802
London & Partners	13,655	13,655	13,136	13,136	13,136	13,136
London Economic Action Partnership (LEAP)	1,020	921	1,459	1,020	1,020	1,020
Planning	2,971	3,451	3,055	3,115	3,182	3,319
Regeneration & Economic Development (RED)	10,046	11,371	13,456	10,765	9,203	7,683
Skills & Employment	4,956	4,583	5,296	3,736	2,966	2,769
Adult Education Budget (AEB)	0	0	192,760	311,217	311,217	311,217
Transport	622	670	657	670	682	697
Directorate Expenditure	50,301	72,600	245,122	352,968	350,157	348,267

Notes

1. The Environment revised budget for 2018-19 includes £23m for the Vehicle Scrappage Scheme.
2. The budget for the Executive Director includes the directorate's minor programme budget.
3. The proposed directorate programme budgets are provided in Appendix 2.
4. The EPMU transferred from the Resources directorate to the DEE directorate in February 2018.
5. The Government funding for LEAP & EPMU is being shown as a separate budget line from 2019-20 to aid transparency.
6. The 2018-19 RED revised budget at Q3 incorporates £3.3m of slippage from 2017-18.

Capital budget

4.27 The resulting draft capital budget for the directorate is shown here:

Development, Enterprise and Environment	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Regeneration						
London Regeneration Fund	8,061	8,383	0	0	0	0
Growing Places Fund	12,858	20,642	1,100	634	0	0
Further Education Programme	48,872	50,335	22,445	8,524	0	0
Skills for Londoners	19,289	19,633	47,038	23,971	9,700	0
Good Growth Fund	11,600	12,225	26,401	23,852	0	0
Small Sites	2,395	0	0	0	0	0
Mayor's Regeneration Fund	1,424	1,360	532	0	0	0
Crystal Palace Park	640	1,021	0	0	0	0
Woolwich	5,000	5,000	0	0	0	0
Environment						
Greener City Fund	236	589	1,546	0	0	0
Air Quality	973	973	0	0	0	0
Home Energy Efficiency Delivery	4,421	4,421	2,375	2,375	0	0
Commercial and Public Sector Energy Efficiency	6,259	6,267	3,340	0	0	0
Energy Supply	3,343	3,011	0	0	0	0
Drinking Fountains	0	0	1,260	466	0	0
Skills & Employment						
Mayors Construction Academy	0	0	1,500	5,700	0	0
Digital Skills (EBPU)	4,835	1,835	0	0	0	0
Planning						
LDD Growth Bid	0	100	174	0	0	0
Directorate Expenditure	130,206	135,795	107,711	65,522	9,700	0

Notes

1. An explanation of the above programmes is included in the capital strategy at Appendix 4.
2. The table includes additional approved funding as part of the revised budget at Q3.

5. Communities & Intelligence (C&I) directorate

Responsibilities of the directorate

- 5.1 The Communities and Intelligence Directorate, which now also includes External Affairs, brings together a broad suite of activity which is focused on London's people. It includes a mixture of policy, programme delivery and service delivery areas.
- 5.2 The **City Intelligence** team provides economic, demographic, geographic, and public opinion research, forecasts and analyses for the Mayor, the London Assembly and teams across the GLA. Currently the unit is particularly supporting teams working on the draft London Plan, skills devolution, preparations for the spending review, the implications of Brexit, and the new Violence Reduction Unit.
- 5.3 The **Communities and Social Policy** team is responsible for policy and programmes related to social integration, including: migration and citizenship; equality and fairness; and community engagement, including support for London's civil society organisations. The team leads on the development and implementation of the Equality, Diversity and Inclusion Strategy.
- 5.4 The **Health, Education and Youth** team is responsible for: the development and implementation of the Health Inequalities Strategy; the GLA's work in partnership with others on London's health and care system; and a range of policy work and programmes related to children and young people, including support to schools and teachers, and delivery of the Young Londoners Fund.
- 5.5 The **Team London and Sport** team is responsible for delivering: major volunteering programmes; wider work to support volunteering and social action; an ambitious programme of community sport initiatives; and the GLA's input to major sporting events. The team is also responsible for the development and delivery of the Sports Strategy, which forms part of the Mayor's statutory Culture Strategy.
- 5.6 The **Culture and Creative Industries** team is responsible for the development and implementation of the Culture Strategy. This includes: policy and projects to increase diverse participation in London's cultural offer; work to save and sustain critical cultural infrastructure; work to diversify the creative workforce; and work to achieve the Mayor's vision for a 24-hour city.
- 5.7 **External Affairs** is responsible for the delivery of major communications campaigns, digital communications and engagement, community events and festivals, and statutory events on behalf of both the Mayor of London and the London Assembly. It also provides a customer service function for the GLA, dealing with questions and queries from the public via multiple channels.

Performance 2018-19, year to date

- 5.8 In line with the primary responsibilities set out above, the directorate delivers a diverse range of programmes. It delivers against two of the priority themes reported through the quarterly monitoring process: social integration and culture. Current progress is summarised in the Q3 reports.

Delivery priorities for 2019-20

5.9 The directorate's key delivery priorities for 2019-20 are set out in this section. Almost all the funding required for these priorities has been approved in previous budget rounds. There are six exceptions to this, highlighted below.

5.10 City Intelligence:

- Further to publishing the Smarter London Together roadmap (July 2018), the London Office of Technology & Innovation will be established in 2019-20 at London Councils to encourage collaboration and the scale up of digital and smart technology across London's public services. A new budget requirement of £0.1m will support this work;
- Further procurement of urban analytics tools, including simulation technologies;
- The Sharing Cities programme (funded by EU Horizon 2020) will complete its implementation phase. The 2019-20 priority will be to encourage the widespread adoption of proven smart technology and services in London and across the continent; and
- New funding of £0.1m in salaries is required in the City Intelligence team to ensure sufficient capacity.

5.11 Communities and Social Policy:

- Deliver flagship social integration programmes, including the London Family Fund;
- Reach 100,000 European Londoners via the online portal to ensure that they are able to access the information they need to secure their immigration status quickly post-Brexit, and work to ensure that a post-Brexit immigration system works for London. This requires new funding of £0.2m;
- Support other Londoners with insecure migration status including young Londoners and those affected by the Windrush scandal. This requires new funding of £0.4m;
- Continue policy and programme work on equality and fairness, including implementation of the Mayor's Inclusive London strategy; and
- Continue to work with colleagues across the GLA Group to improve engagement and participation by communities. This requires new funding of £0.1m for an additional post.

5.12 Health, Education and Youth:

- Continue delivery of programme commitments and policy work associated with the Health Inequalities Strategy; including embedding health in all policies across the GLA with a focus in 2019-20 on violence reduction, healthy streets, and housing;
- Champion and challenge London's health and care system including carrying out the Mayor's six tests for health and care plans;
- Deliver the second round of the Young Londoners Fund;
- Support schools and teachers to address persistent education challenges; and
- Continued investment in early years initiatives to ensure that more children and families in London are able to access high quality early education.

5.13 Team London and Sport:

- Support 25,000 instances of volunteering through Team London programmes;
- Use the Sports Unites programme to deliver grant-funded activity to support social integration sporting projects and get inactive Londoners taking part in sports and physical activity;
- Deliver London's EURO 2020 host city commitments, the delivery which will be supported by a new draw down of £1.8m from the major events' reserve;
- Maximise the value of other major sporting events, such as the Cricket World Cup in 2019; and
- Respond to recent reviews of philanthropy and giving in London to ensure that the GLA plays an appropriate role; establishing a new post in City Hall, supported by new funding of £0.1m.

5.14 Culture and Creative Industries:

- Deliver increased diverse participation in culture via the inaugural London Borough of Culture programme in Waltham Forest (engaging 85% of residents and an additional 500,000 visitors) and award more than £500,000 to community led cultural projects through Culture Seeds;
- Deliver new Cultural Infrastructure Plan via new Creative Enterprise Zones, a new Creative Land Trust and the work of the Culture at Risk office;
- Continue to support the development of East Bank, working with LLDC on community engagement and skills;
- Support London's creative industries to generate sales and inward investment in a post-Brexit climate, and consider the Night Time Commission's recommendations to advance the Mayor's vision for a 24-hour city; and
- Continue to support the development of the new Museum of London in West Smithfield.

5.15 External Affairs:

- Continue to deliver Mayoral communication campaigns which engage Londoners on a wide variety of issues;
- Continue to deliver the Mayor's annual programme of cultural and faith-based events to bring together a wide range of Londoners and visitors to London to celebrate the city's rich diversity; and
- Continue to deliver a programme of jointly-owned Mayor and Assembly commemorative and statutory events.

Directorate summary

5.16 New activities funded by the GLA are shown in the table below:

Item	Amount (£000)
London Office of Technology & Innovation	100
City intelligence team staffing	78
European Londoners portal & migration post	167
Londoners with insecure status	370
Community engagement staffing	52
Philanthropy	123
Total	890

5.17 New activities funded from GLA reserves are shown in the table below:

Item	Amount £000	Funding source
Euro 2020	1,779	Major events reserve
Total	1,779	

5.18 New activities funded from external sources are shown in the table below:

Item	Amount £000	Funding source
London Borough of Culture	400	Business Rates
Total	400	

5.19 Savings are shown in the table below:

Savings items	Amount (£000)	Notes
Directorate pay budget	129	Pay overbudgeted for.
Directorate programme budget	1,390	Programme overbudgeted for.
Directorate minor programme budget	200	Directorate wide saving based on current levels of spending.
Total	1,719	

5.20 New permanent posts are shown in the table below:

Directorate	New permanent posts
Migration policy post	1
Community engagement post	1
Total	2

Revenue budget

5.21 The resulting draft net revenue budget for the directorate is shown here:

Communities and Intelligence	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Executive Director	1,175	432	977	981	984	988
Communities and Social Policy	2,386	4,042	3,786	2,981	2,958	2,987
Culture and Creative Industries	8,923	10,015	8,317	7,854	8,698	8,788
External Affairs	9,237	10,616	9,557	9,531	9,630	9,714
Health, Education and Youth	21,116	11,976	20,236	19,723	10,989	4,412
City Intelligence	2,872	3,129	3,724	3,587	3,815	3,772
Museum of London	11,600	11,600	11,600	11,600	11,600	11,600
Team London and Sport	5,946	6,217	12,472	16,376	5,948	5,967
Directorate Expenditure	63,255	58,027	70,669	72,633	54,622	48,228

Notes

1. The budget for the Executive Director includes the directorate's minor programme budget.
2. The proposed directorate programme budgets are provided in Appendix 2.
3. The phasing of Team London and Sport expenditure is subject to review to align with emerging delivery plans.

Capital budget

5.22 The resulting draft capital budget for the directorate is shown here:

Communities and Intelligence	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Museum of London	470	470	500	500	500	500
Creative Land Trust	2,000	2,000	1,000	1,000	0	0
Creative Enterprise Zones	400	400	400	0	0	0
Fourth Plinth	50	50	100	50	100	50
A Sporting Future for London	500	500	1,000	0	0	0
Directorate Expenditure	3,420	3,420	3,000	1,550	600	550

Notes

1. An explanation of the above programmes is included in the capital strategy at Appendix 4.
2. The table includes additional approved funding as part of the revised budget at Q3.

6. Mayor's Office

- 6.1 The Mayor's Office provides policy and administrative support to the Mayor and his advisers. It includes the Government Relations and International Relations teams, which provide support to colleagues across the GLA. From 2018-19, the Mayor's Office also incorporates the Mayor's oversight of the London Fire Commissioner.

Revenue budget

- 6.2 No additional areas of expenditure are proposed in this budget. Inflationary costs have been offset by the proposed deletion of a fixed-term role related to the Grenfell Tower Public Inquiry, with responsibilities redistributed amongst other roles.
- 6.3 The Mayor's Office revenue budget is as shown in the below. There is no capital budget.

Mayor's Office	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Mayor & Mayoral Appointees	2,188	2,685	2,222	2,260	2,307	2,352
Private Office & Correspondence	636	642	694	705	716	733
Mayoral Support Teams	2,024	2,043	1,971	1,931	1,971	2,013
Deputy Mayors' Support	1,070	1,080	1,087	959	984	1,014
Directorate Expenditure	5,918	5,974	5,974	5,855	5,978	6,112

7. Chief Officer's Directorate

Responsibilities

- 7.1 The Chief Officer's Directorate budget encompasses the work of the Chief Officer, the Corporate Management Team (CMT) business support team and those teams which now work directly to the Chief Officer: **Human Resources & Organisational Development** (HR&OD), the **Technology Group** (TG) and **Facilities Management** (FM)
- 7.2 Given the Chief Officer's Greater London Returning Officer (GLRO) role, the elections budget is held in the Chief Officer's Directorate. The Chief Officer's Directorate budget also includes a few other corporate items (including the Monitoring Officer function and the secretariat function for some Mayoral boards).

Performance 2018-19 year to date

- 7.3 In line with the primary responsibilities set out above, and noting the recent transfer of the TG, FM and HR&OD functions into the Chief Officer's Directorate, the directorate has been delivering a substantial programme of change to support significantly increased numbers of staff to operate in space which can no longer accommodate them under the GLA's traditional one staff member / one desk model:
- TG has moved and continues to move services to the Cloud and is implementing new Cloud-based office systems to enable modern, flexible and remote working practices; the team has issued a significant volume of portable devices to remove the need for staff to come into City Hall or Union Street every day; the team is also upgrading the City Hall internal network infrastructure to increase capacity and resilience in the face of increased demand;
 - FM completed a reorganisation of the building earlier this year, replaced the front doors and started the programme to replace the lifts in City Hall; and
 - HR&OD has been managing an increased recruitment and administrative workload due to the growth in staff numbers; facilitating greater flexible working; and leading on the delivery of some of Mayor's programmes, particularly in respect of diversity and inclusion.

Delivery priorities for 2019-20

- 7.4 The Directorate's key delivery priorities for 2019-20 are set out in this section. Most of the funding required for these priorities has been approved in previous budget rounds.
- 7.5 Improve service levels achieved by IT and HR & OD teams:
- The TG and HR&OD teams are under considerable pressure, in part due to a significant growth in GLA staff numbers. As a result, there are resource gaps in TG and HR&OD which are resulting in unsatisfactory service levels – the IT service desk and HR recruitment services are specific examples. Next year the GLA takes over providing technology services for LLDC; this is against a backdrop of demand growing markedly over recent years – with currently three times the number of service requests as received in 2011. A new net budget requirement of £1.0m (noting that LLDC will fund the IT service provided by the GLA to the LLDC) is therefore needed to address these service challenges, comprising:
 - £0.3m for TG staffing

- £0.4m for TG services in the areas of licencing, cloud and digital to reflect increased activity levels and so as to deliver a saving in capital expenditure
- £0.3m for HR&OD staffing.

7.6 Facilities Management:

- Continue to deliver the range of FM services required for the safe and efficient management of City Hall, Trafalgar Square, Parliament Square Gardens and the GLA's space at Union Street and in the Royal Docks; and
- A new budget requirement of £0.8m is required for FM to meet shortfalls arising from the renewal of contracts for broadcasting and squares cleaning/staff, increased City Hall cleaning/porterage costs and increased utility costs, and the required re-grading of security staff to reflect the enhanced roles they now fulfil.

7.7 For 2019-20, two new budgets are proposed for the Chief Officer's Directorate:

- £1.5m for the Chief Officer's transformation fund to create and deliver a clear vision of how GLA staff should work in future. Under the sponsorship of the new Chief Officer, this will comprise:
 - £0.5m for a refresh of the IT strategy, particularly around flexible and mobile working and a full review of HR policies to support this cultural change
 - £0.5m for the development and implementation of talent attraction and management strategies to put in place the type of talent attraction and management strategies you would expect to see in an exemplar employer and to secure a much more diverse GLA workforce
 - £0.5m for a review of the key workforce issues which were highlighted in the 2017 staff survey and which are not features of the exemplary employer we aspire to be; work is needed on relevant policies, pay and grading structures, which are now fifteen years old, and also to address the high levels of recruitment of fixed-term staff; and
- £0.5m for the proposed new London Situational Awareness service:
 - Following discussion with the Cabinet Office and other partners, a service to inform and support the Mayor of London, the GLA, key stakeholders such as London boroughs, London Local Authority Gold and other interested parties in advance of, and in response to, disruptive incidents, whether severe weather, terrorism, public disorder, protests, fires, public health and transport disruption
 - The service will require nine members of staff to support a 24/7 rota and that part of its future funding will be met by key stakeholders, including participating boroughs
 - The service is up and running in March 2019 - ahead of schedule but not yet 24/7 - due to the demands placed on London government by Brexit.

Summary

7.8 New activities funded by the GLA are shown in the table below:

Item	Amount (£000)
Technology Group staffing – 5 posts	300
Technology Group: licencing, cloud and digital	400
Human Resources staffing – 4 posts	300
Facilities Management	780
Chief Officer's transformation fund	1,500
London Situational Awareness service	500
Total	3,780

7.9 New activities which are externally funded are shown in the table below:

Item	Amount £000	Funding source
Shared service: GLA provision of LLDC IT service – 5 posts	300	LLDC
Total	300	

7.10 New permanent posts are shown in the table below:

Area	New permanent posts
TG staffing – GLA related	5
TG staffing – LLDC related	5
HR&OD staffing	4
Chief Officer's transformation fund*: IT related initiatives	4
Chief Officer's transformation fund*: HR related initiatives	4
London Situational Awareness	9
Total	31

** Subject to review in the light of emerging transformation plans*

Revenue budget

7.11 The Chief Officer's revenue budget is as below.

Chief Officer's Directorate	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000
Transformation Fund	0	0	1,500	1,500	1,500	1,500
CMT Business Support	317	460	494	500	504	513
Elections	800	800	3,700	20,900	100	500
Mayoral Boards	167	170	174	175	179	182
Monitoring Officer	19	19	19	19	19	19
London Situational Awareness	0	0	500	500	500	500
Facilities Management	0	0	17,819	17,975	18,084	18,183
HR & OD	0	0	3,509	3,491	3,571	3,599
Technology Group	0	0	4,375	4,326	4,375	4,447
Chief Officer Expenditure	1,303	1,449	32,090	49,386	28,832	29,443

Notes

1. CMT business support includes the Chief Officer's employment costs.
2. Although the transformation fund is shown as continuing in future years, the need for this fund will be kept under review. Developing and implementing the vision should ultimately reduce GLA costs, but it needs to be properly resourced with staff dedicated to this piece of work.

Capital budget

7.12 The directorate's capital budget is as shown in the table below.

Chief Officer's Directorate	Original Budget	Revised Budget at Q3*	Budget Proposal	Plan	Plan	Plan
	2018-19 £0	2018-19 £0	2019-20 £0	2020-21 £0	2021-22 £0	2022-23 £0
City Hall Infrastructure	0	0	500	640	600	400
Technology Group	0	0	600	300	500	1,100
Open Projects System	0	0	1,000	0	0	0
Directorate Expenditure	0	0	2,100	940	1,100	1,500

Notes

1. An explanation of the above programmes is included in the capital strategy at Appendix 4.
2. The increased use of cloud-based data storage, funded from the revenue budget, has meant plans to invest in increased GLA storage capacity, at a cost of around £1m, are not required and are so are not included in the above table. As a capital item, this saving has not been included in the total revenue savings given elsewhere in this report.

8. Resources directorate

Responsibilities of the directorate

8.1 The Resources directorate is responsible for:

- Ensuring the GLA has the resources to implement the Mayor's and the Assembly's priorities;
- Providing effective corporate services which meet the GLA's needs, including its compliance and regulatory requirements, and represent value for money:
 - Finance, Governance and Performance through the **Finance & Governance** unit
 - **Procurement** through a shared service provided by TfL
 - **Legal** through a shared service provided by TfL; and
- Managing the Mayor's Group budget setting/monitoring process, key revenue streams such as council tax and retained business rates, and treasury management – through the **Group Finance** unit.

8.2 The Executive Director of Resources is also responsible for other shared services arrangements under which TfL provides accounting systems to the GLA, the Mayor's Office for Policing and Crime (MOPAC) provides an internal audit service to the GLA and LLDC provides an insurance advisor service to the GLA.

Directorate delivery priorities for 2019-20

8.3 Finance & Governance:

- Make much stronger links between GLA expenditure and performance data within an integrated performance and risk management framework.

8.4 Procurement:

- In line with increased activity levels, an additional £0.3m is required for the shared procurement service provided by TfL.

8.5 Legal:

- An additional £0.2m is required for the shared legal service provided by TfL. In addition to pay inflation, this reflects the costs incurred of providing legal support to the GLA on the Grenfell Tower Public Inquiry.

8.6 Group Finance:

- Support the Mayor and GLA Group's submissions to Government in the forthcoming Spending Review and Fair Funding Review and related processes which will affect the funding available to the GLA Group for police, fire, transport and GLA services in future years;
- Work with London Councils and City of London to administer the 2019-20 London business rates retention pilot as well as assessing the financial impact of the planned reset of and reforms to the business rates retention system post April 2020; and
- Continue to develop and expand the GLA Group Treasury function.

Directorate summary

8.7 New activities funded by the GLA are shown in the table below:

Item	Amount (£000)
Procurement shared service: commitments	305
Legal shared service: commitments	200
Total	505

Revenue Budget

8.8 The resulting draft revenue budget for the directorate is shown here:

Resources	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Executive Director	376	401	177	180	184	188
Finance & Governance	1,260	2,356	2,498	2,528	2,592	2,631
Procurement	1,289	1,289	1,594	1,594	1,594	1,594
Legal	1,400	1,400	1,600	1,600	1,600	1,600
Group Finance	1,062	1,277	1,063	1,079	1,103	1,120
Facilities Management	16,739	17,189	0	0	0	0
HR & OD	2,664	2,906	0	0	0	0
Technology Group	4,213	4,992	0	0	0	0
Directorate Expenditure	29,003	31,810	6,932	6,981	7,073	7,133

Notes

1. The budget for Finance & Governance includes the cost of the shared services arrangement with TfL to provide an accounting system and MOPAC's provision of internal audit services.
2. The budget for Group Finance includes the cost of insurance services for the GLA which are provided on its behalf by staff at the LLDC.

8.9 The resulting draft revenue budget for the directorate's corporate items is shown here:

Corporate Items	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Contingency	1,900	1,351	1,000	1,000	1,000	1,000
Financing costs – Interest Payable	6,500	6,500	6,100	6,100	5,700	5,700
GLAP Recharge Income	-3,700	-4,309	-5,304	-5,444	-5,455	-5,481
Interest Receivable GLA	-9,800	-15,100	-13,700	-13,700	-13,700	-13,700
Interest Receivable GLAP Loan	-8,825	-8,825	-9,900	-9,900	-9,900	-9,900
Provision for other grant payments	14,917	14,917	12,800	11,800	11,800	11,800
Corporate Expenditure	992	-5,466	-9,004	-10,144	-10,555	-10,581

Notes

1. The corporate contingency of £1m a year from 2019-20 to 2022-23 is subject to review and will be available to ensure that the GLA has adequate financial resources to meet any budget pressures arising in-year. This is a modest provision relative to financial risks and uncertainties, however any additional budget pressures arising for the GLA in the short to medium term, which are in excess of the corporate contingency, can be met from reserves, including any inflationary pressures.
2. The budget provisions for financing costs and interest receivable are all subject to review.

Capital Budget

8.10 The combined directorate and corporate capital budget is as shown in the table below.

Resources	Original Budget	Revised Budget at Q3*	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£0	£0	£0	£0	£0	£0
Northern Line Extension	191,000	191,000	200,000	120,000	0	0
Crossrail	0	335,000	905,000	160,000	0	0
LLDC Loan Funding	43,100	43,100	43,100	88,200	16,200	0
UCL East Bank (MHCLG)	0	0	15,000	55,000	30,000	0
LLDC East Bank and Direct Grant	3,481	3,480	17,600	65,800	123,500	6,200
City Hall Infrastructure	1,900	3,680	0	0	0	0
Technology Group	647	650	0	0	0	0
Open Projects System	0	812	0	0	0	0
Directorate Expenditure	240,128	577,722	1,180,700	489,000	169,700	6,200

Note

An explanation of the above programmes is included in the capital strategy at Appendix 4.

9. Assembly Secretariat

9.1 The Assembly Secretariat constitutes the Assembly component of the GLA budget. It supports Assembly Members in:

- Analysing evidence and developing proposals to hold the Mayor to account on issues of importance to Londoners;
- Promoting the London Assembly and its work;
- Managing the London Assembly's committee meeting and decision-making process; and
- Supporting Assembly Members in their representative roles.

Delivery priorities for 2019-20

9.2 There are no changes to the purpose and responsibilities of the Assembly Secretariat and there are no growth proposals.

Revenue budget

9.3 The Assembly Secretariat revenue budget is as shown in the below. There is no capital budget.

Assembly Secretariat	Original Budget	Revised Budget at Q3	Budget Proposal	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Assembly Members	1,800	1,800	1,861	1,893	1,924	1,954
Member Services	2,248	2,248	2,336	2,348	2,397	2,471
Scrutiny	1,478	1,478	1,476	1,498	1,530	1,575
Committee Services	669	669	672	680	695	709
Assembly Communications	324	324	366	370	380	385
Director/Business Support	245	245	253	275	238	270
London TravelWatch	1,036	1,036	1,036	1,036	1,036	1,036
Directorate Expenditure	7,800	7,800	8,000	8,100	8,200	8,400

Note

The budget increases from the original budget for 2018-19 are entirely due to changes in the Assembly Secretariat establishment and pay awards.

10. Revenue budget & reserves statement

- 10.1 An objective analysis of the GLA revenue budget for the Mayoral component is set out at Appendix 1, along with a programme budget analysis at Appendix 2. The three most significant items (AEB, L&P and the Museum of London) are shown separately from the directorate totals to aid transparency. Similarly, the contingency is shown separately from the Resources directorate.
- 10.2 A reserves statement is set out at Appendix 3. The analysis shows how reserves are expected to be used to support the budget proposals. This analysis does not include GLA Group reserves which are used to fund the functional bodies and manage volatility in council tax and business rates revenues (i.e. the Mayoral Development Corporation – MDC – and business rates reserves).
- 10.3 Reserve movements have been presented to show transfers from capital expenditure to revenue expenditure. Such transfers are highlighted in financial decision-making forms as and when they arise. They are principally used to provide revenue support to capital programmes.

Appendix 1

GLA: Mayor objective analysis				
	Budget Proposal	Plan	Plan	Plan
	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000
Directorate Expenditure				
Development, Enterprise & Environment	35,326	25,015	25,805	23,914
Housing & Land	48,517	43,565	38,805	39,016
Communities & Intelligence	59,069	61,033	43,022	36,628
Resources	6,932	6,981	7,073	7,133
Chief Officer's	28,390	28,486	28,732	28,943
Mayor's Office	5,974	5,855	5,978	6,112
Elections	3,700	20,900	100	500
Directorate expenditure	187,908	191,835	149,515	142,246
Museum of London (C&I lead)	11,600	11,600	11,600	11,600
London and Partners (DEE lead)	13,136	13,136	13,136	13,136
Adult Education Budget (DEE lead)	192,760	311,217	311,217	311,217
Contingency (Resources lead)	1,000	1,000	1,000	1,000
Strategic Investment Fund (Group lead)	108,800	51,300	500	0
Other service expenditure	327,296	388,253	337,453	336,953
Financing costs – Crossrail	124,745	131,246	129,520	122,738
Financing costs – Northern Line Extension	19,600	23,300	23,300	23,300
Financing costs – other	6,100	6,100	5,700	5,700
Provision for other grant payments - LLDC	12,800	11,800	11,800	11,800
Financing Costs	163,245	172,446	170,320	163,538
Interest receipts	-13,700	-13,700	-13,700	-13,700
Crossrail Business Rate Supplement	-124,745	-131,246	-129,520	-122,738
Northern Line Extension contributions	-19,600	-23,300	-23,300	-23,300
Interest receipts GLA Land & Property (GLAP) loan	-9,885	-9,885	-9,885	-9,885
Adjustment for direct net GLAP expenditure	-19,583	-18,356	-18,355	-18,355
GLAP recharge	-5,304	-5,444	-5,455	-5,481
Income	-192,817	-201,931	-200,215	-193,459
Transfer to MDC Reserve held in Group items budget	2,400	0	0	0
Transfer to/ (from) reserves held for GLA services	-52,132	-57,903	-4,373	2,922
Transfer to/ (from) strategic investment funds reserves	-47,600	-51,300	-500	0
Net service expenditure after use of reserves	388,300	441,400	452,200	452,200
Specific Grants	192,000	311,000	311,000	311,000
Retained business rates	124,499	61,453	70,874	69,468
Council tax collection fund surplus	4,200	0	0	0
Council tax requirement	67,601	68,947	70,326	71,732

Appendix 2

Programme budgets

H&L	Budget Proposal	Plan	Plan	Plan
	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000
Commissioning - Ending Rough Sleeping	13,087	12,472	9,224	9,226
Rough Sleeping – Mental Health	474	776	0	0
Safe Connections	380	0	0	0
Hostels Clearing House	58	59	61	62
Seaside and Country	156	160	150	153
Move On	3,012	0	0	0
Housing Zones Rev	300	300	300	300
Private Rental Sector Checker	63	64	65	66
Public Land	152	151	0	0
Royal Docks EZ - Delivery Team	13,169	15,705	14,528	12,123
Small Sites Small Builders	440	420	0	0
Directorate Expenditure	31,291	30,107	24,328	21,930

DEE	Budget Proposal	Plan	Plan	Plan
	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000
<i>Executive Director</i>				
DEE Minor Programme budget	800	800	800	800
<i>Environment</i>				
Air Quality	727	415	320	320
Energy and carbon reduction programmes	4,112	2,368	2,071	1,664
Green spaces and waste	6,149	2,202	2,000	2,000
<i>Growth & Infrastructure</i>				
Infrastructure Investment Plan	193	176	176	176
<i>Planning</i>				
Planning	474	474	474	474
<i>Skills & Employment</i>				
Skills	4,386	2,811	2,022	1,800
Adult Education Budget (AEB)	190,128	307,531	307,468	307,363
<i>Regeneration and Economic Development</i>				
LEAP Core & Growth Hub	1,459	1,020	1,020	1,020
Regeneration & Economic Development	8,717	7,157	5,786	4,200
Crowd Funding and College Campus	1,450	250	0	0
<i>Transport</i>				
Noise strategy delivery	7	7	7	7
Directorate Expenditure	218,602	325,211	322,144	319,824

C&I	Budget Proposal 2019-20 £000	Plan 2020-21 £000	Plan 2021-22 £000	Plan 2022-23 £000
<i>Executive Director</i>				
C&I Minor Programme budget	800	800	800	800
<i>City Intelligence</i>				
London Office of Technology & Innovation (LOTI)	100	100	100	0
<i>Communities and Social Policy</i>				
Equalities & fairness programmes	430	290	290	290
Social evidence base	310	295	250	250
Social integration programmes	1,497	1,035	1,035	1,035
Community engagement programmes	344	240	240	240
<i>Culture and Creative Industries</i>				
Creative Industries production and export programmes	2,849	2,849	2,849	2,849
Illuminated River Slippage	50	0	0	0
Creative Land Trust Slippage	50	0	0	0
Creative Londoner programmes	25	26	26	26
Cultural leadership and programme commissioning	121	121	121	121
Culture & good growth - Creative enterprise zones	905	1,170	1,170	1,170
Culture & good growth programmes	250	275	275	275
Diversity Programme	100	0	0	0
World city culture programmes	121	96	96	96
Love London programmes - Culture seeds and other	340	620	620	620
Love London programmes - London Borough of Culture	1,716	1,041	2,198	2,293
24 Hour London and Music programme	162	0	0	0
<i>External Affairs</i>				
Events, festivals & commemorations	1,122	1,122	1,122	1,122
London Notting Hill Carnival	355	355	355	355
London Pride	75	75	75	75
New Year's Eve	2,300	2,300	2,300	2,300
Statutory events	110	110	110	110
<i>Health, Education and Youth</i>				
Early years programmes	217	175	175	175
Education & schools programmes	277	277	277	277
Education & Youth evidence base	100	100	100	100
Healthy child programmes	540	385	385	385
Healthy Communities Programmes	278	253	228	228
Healthy living	28	28	28	28
Healthy minds	425	350	350	350
Healthy places programmes	152	152	152	152
Leadership for health	470	470	470	470
HIS strategy	140	140	140	140

Peer outreach /youth participation	45	45	45	45
Youth Innovation Fund	264	87	0	0
<i>Team London and Sport</i>				
Major sport events community engagement	125	625	500	500
Major sport events programme	720	720	1,000	1,000
Sports Unites programmes	2,091	2,092	2,000	2,000
Team London programmes	2,876	1,805	1,456	1,456
Directorate Expenditure	22,880	20,624	21,338	21,333

C&I: Major Programmes	Budget Proposal 2019-20 £000	Plan 2020-21 £000	Plan 2021-22 £000	Plan 2022-23 £000
<i>Team London & Sport</i>				
EURO 2020	5,164	9,977	0	0
<i>Health, Education and Youth</i>				
Young Londoners Fund	15,841	15,432	6,591	0
Directorate Expenditure	21,005	25,409	6,591	0

Chief Officer	Budget Proposal 2019-20 £000	Plan 2020-21 £000	Plan 2021-22 £000	Plan 2022-23 £000
<i>Technology Group (TG)</i>				
Cloud	278	278	278	278
Digital	200	200	200	200
Licensing Enterprise	350	350	350	350
Network	58	58	58	58
TG Programme Delivery	350	350	350	350
Directorate Expenditure	1,236	1,236	1,236	1,236

Appendix 3

GLA Reserves	Forecast 31 March 2019 Balance	Net Transfers	Draft Budget 31 March 2020 Balance	Net Transfers	Plan 31 March 2021 Balance	Net Transfers	Plan 31 March 2022 Balance	Net Transfers	Plan 31 March 2023 Balance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Reserves to support key revenue budget outcomes									
Directorate Programme	49,600	-22,504	27,096	-9,174	17,922	-10,752	7,170	-2,409	4,761
Sport Unites Programme	5,236	-3,371	1,865	-922	943		943	0	943
Election	13,664	3,175	16,839	-14,525	2,314	4,900	7,214	4,500	11,714
Environment Drainage	266	0	266	0	266	0	266	0	266
Major Events	11,750	-5,164	6,586	-4,486	2,100	0	2,100	0	2,100
Planning Smoothing	1,084	1,800	2,884	0	2,884	0	2,884	0	2,884
Pre-Application Planning	1,215	0	1,215	0	1,215	0	1,215	0	1,215
Revenue Grants Unapplied	59,247	-19,465	39,782	-24,287	15,495	1,479	16,974	831	17,805
New Museum Project	4,000	0	4,000	0	4,000	0	4,000	0	4,000
London Green Fund	1,307	0	1,307	0	1,307	0	1,307	0	1,307
Capital Programme – revenue / capital swaps	3,831	-5,423	-1,592	-4,509	-6,101	0	-6,101	0	-6,101
Total	151,200	-50,952	100,248	-57,903	42,345	-4,373	37,972	2,922	40,894
Reserves to support organisational change and transformation									
Assembly Development & Resettlement	1,639	0	1,639	0	1,639	0	1,639	0	1,639
Development	916	0	916	0	916	0	916	0	916
Mayoral Resettlement	77	0	77	0	77	0	77	0	77
Total	2,632	0	2,632	0	2,632	0	2,632	0	2,632
Reserves to support on-going asset management									
City Hall Lease Smoothing	1,592	(1,180)	412	0	412	0	412	0	412
Estates	4,965	0	4,965	0	4,965	0	4,965	0	4,965
Total	6,557	(1,180)	5,377	0	5,377	0	5,377	0	5,377

Reserves to support on-going capital activity									
Capital Programme	65,784	(8,785)	56,999	(4,865)	52,134	(1,700)	50,434	(2,050)	48,384
LLDC Capital Funding	64,130	0	64,130	0	64,130	0	64,130	0	64,130
Compulsory Purchase Orders	1,330	0	1,330	0	1,330	0	1,330	0	1,330
Total	131,244	(8,785)	122,459	(4,865)	117,594	(1,700)	115,894	(2,050)	113,844
General									
General	10,000	0	10,000	0	10,000	0	10,000	0	10,000
Total GLA	301,633	-60,917	240,716	-62,768	177,948	-6,073	171,875	872	172,747

Third Party	Forecast 31 March 2019 Balance	Net Transfers	Draft Budget 31 March 2020 Balance	Net Transfers	Plan 31 March 2021 Balance	Net Transfers	Plan 31 March 2022 Balance	Net Transfers	Plan 31 March 2023 Balance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
London & Partners	2,245	0	2,245	0	2,245	0	2,245	0	2,245
New Homes Bonus	11,045	0	11,045	0	11,045	0	11,045	0	11,045
Total Third Party	13,290	0	13,290	0	13,290	0	13,290	0	13,290

Group	Forecast 31 March 2019 Balance	Net Transfers	Draft Budget 31 March 2020 Balance	Net Transfers	Plan 31 March 2021 Balance	Net Transfers	Plan 31 March 2022 Balance	Net Transfers	Plan 31 March 2023 Balance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Business Rates	188,200	0	188,200	0	188,200	0	188,200	0	188,200
Development Corporations	4,100	0	4,100	0	4,100	0	4,100	0	4,100
CT Collection Fund Adjustment Account	(1)	0	(1)	0	(1)	0	(1)	0	(1)
Total Group	192,299	0	192,299	0	192,299	0	192,299	0	192,299

Capital Strategy

1. Context

- 1.1 CIPFA's Prudential Code includes a new requirement for all members of the GLA Group to produce a Capital Strategy for 2019-20.
- 1.2 The purpose of the Capital Strategy is to drive the Mayor's capital investment ambition, whilst ensuring the sustainable, long term delivery of services. The final strategy will demonstrate that the GLA Group's capital expenditure and investment decisions are made in line with Mayoral priorities and properly take account of stewardship, value for money, prudence, sustainability and affordability, and give due regard to risk and reward. The Draft Capital Strategy set out in this paper covers the period 2018-19 to 2037-38, with the period 2018-19 to 2022-23 prepared by year. The following fifteen years have been completed in three five-year consolidated periods.
- 1.3 The final strategy will be reviewed and refreshed annually. It will be updated when necessary following major fiscal events such as the Government's Spending Review and subsequent funding settlements, and policy changes of the Mayor of the day.
- 1.4 The first section of this paper sets out the spending plan forming the Capital Strategy for the period 2019-20 to 2022-23 by year by directorate that forms and describes the major programmes each directorate will be implementing over the period. Funding is confirmed for this expenditure. The second section shows the programmes and the potential spending that each of the directorates aim to implement in the following fifteen years should funding permit. There are no funding commitments confirmed at this stage beyond 2022-23.

2. Capital Spending Plan 2019-20 to 2022-23

- 2.1 A summary of the consolidated GLA capital spending plan for 2019-20 to 2022-23 is shown below.

GLA	Original Budget	Revised Budget at Q2*	Budget	Plan	Plan	Plan
	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000
Housing and Land	491,983	870,899	1,126,174	886,966	1,183,623	1,952,691
Development, Enterprise and Environment	130,206	135,385	107,213	65,270	9,700	0
Communities and Intelligence	3,420	3,420	3,000	1,550	600	550
Chief Officer	0	0	2,100	940	1,100	1,500
Resources	240,128	577,722	1,180,700	489,000	169,700	6,200
Total Expenditure	865,737	1,587,426	2,419,187	1,443,726	1,364,723	1,960,941

- 2.2 Most of the capital programmes included in the plan are funded by the Government. The reduction in the later years for some directorates is due to currently funded programmes coming to an end. It is highly probable there will be replacement programmes but at this stage the funding is not confirmed and the outcome is unknown. **No unfunded programmes are included.**
- 2.3 The spending plans for each directorate are included in each Directorate chapter.

3. Housing and Land

- 3.1 The largest element of the Housing and Land capital spending plan is the Affordable Homes Programme. Housing and Land are committed to starting 116,000 affordable homes starts within London by 2022. The funding for this programme is provided through grants from the Ministry of Housing, Communities and Local Government (MHCLG).
- 3.2 The Housing Zone loans programme borrows money from MHCLG and onward lends it to London boroughs to unlock and accelerate housing construction in 30 designated areas, identified as housing zones, thereby promoting the Mayor's policy of providing additional housing in London. These funds are due to be repaid from development receipts which initially will be used to fund further loans to housing zones, before repayment to MHCLG.
- 3.3 The Housing Zone grant budget allows for grant funding, rather than loans, to unlock and accelerate additional housing within the designated housing zones. The funding comes from MHCLG.
- 3.4 The Community led housing programmes allocate grant funding to community associations set up to provide small affordable housing developments within their communities. MHCLG fund the programme.
- 3.5 The London Housing Bank was a programme to provide low cost loans to accelerate the production of housing, often to large, multi-phased developments. This programme has now come to an end and its objectives are provided through other housing programmes.
- 3.6 The Small Sites capital programme is used for capital works to unlock small unviable sites by paying for expenses such as demolition, decontamination and site assembly. The funding comes from the LEAP programme.
- 3.7 The New Land Fund is a new fund which will facilitate housing delivery through land assembly and unlocking unviable small sites. These programmes are funded by MHCLG and came with a condition that £133.8m was committed before the end of the financial year 2018-19.
- 3.8 The Homelessness Change and Platform for Life programme improves current and develops new hostels and refuges for the homeless or people who are at risk of homelessness. The funding comes from previous years' affordable housing grant.
- 3.9 The Care and Support Specialised Housing programme provides adapted new homes for older or disabled people who require support needs within their homes. The programme is funded by the Department of Health and Social Care.

- 3.10 The Move-on programme helps to provide homes for homeless people who are moving out of hostels and refuges. It is funded by MHCLG.
- 3.11 The Royal Docks Enterprise Zone costs relate to the re-development of the Royal Docks in East London. The expenses are funded by business rates income from the site. Borrowing in the earlier years is to be repaid from later years' rates receipts.
- 3.12 The Land and Property Capital programme delivers housing, employment workspace, creates jobs and drives investment in London. Most of the expenditure is at Barking Riverside which will be delivering 11,000 homes, transport links and community facilities in the borough of Barking and Dagenham. This programme is funded from the receipts from developments on land owned by GLAP.
- 3.13 The Land Fund capital expenditure relates to a £250m investment fund financed from GLAP cash flow to buy and prepare land for housing, with the intention of generating a return on the investment. The profile is indicative as the funds will be spent as and when appropriate investment opportunities arise. The Land Fund is initially financed through 'internal borrowing', i.e. GLA reserves and working capital that will be required for expenditure at a future date. This capital must be preserved. Therefore, the investment strategy adopted for this fund includes a requirement that no more risk can be taken than can be underwritten by the Housing and Land Budget at that time.
- 3.14 The LLDC JV Transfer to GLAP sets out the cost of GLAP investing in joint venture partnerships set up to develop the land owned by London Legacy Development Corporation. These investments will generate a return in later years.

4. Development, Enterprise and Environment

- 4.1 The Development Enterprise and Environment directorate programmes are funded through the Government's Growth Fund unless a different funding source is given. All the proposed expenditure reflects programmes which have been funded. The reduction in future years is due to the current programmes coming to an end. Should the GLA receive further Government funding in the future, new programmes will be introduced in these years.
- 4.2 The London Regeneration Fund promotes growth in high streets and workplaces across London.
- 4.3 The Growing Places Fund is used to promote job creation and economic growth. It is funded from previous years' allocations which have been rolled forward.
- 4.4 The Further Education Programme invests in high quality equipment and facilities at London's colleges and other education and training providers.
- 4.5 The Skills for Londoners Programme is an extension of the Further Education Programme which also invests in high-quality equipment and facilities at London's colleges and other education and training providers.
- 4.6 Good Growth Fund programmes support a range of place based, community, cultural and green infrastructure projects.

- 6.7 The Small Sites Fund promotes a streamlined service, making it easier for the public sector to bring forward small sites for residential-led development. It is funded from Growth Deal funding and the budget has been transferred to Housing and Land.
- 4.8 The Mayor's Regeneration Fund is now coming to a close. It was a programme set up to invest in regeneration in some of the most deprived areas of London following the 2011 London riots. Projects outstanding include investing in Peckham station. It is funded by carry forwards from previously received funding.
- 6.8 The Crystal Palace Park refurbishment and Woolwich station development are old projects which are now coming to a close.
- 4.9 The Greener City Fund was set up to promote the Mayor's aim for London to be a National Park City with the ambition to make half of London green by 2050. It promotes community tree planting and green spaces, strategic green infrastructure projects and London's urban forest.
- 4.10 The Air Quality Programme is a grant scheme providing funding for Low Emission Neighbourhoods delivered by local business groups and organisations.
- 4.11 The Home Energy Efficiency programmes – support fuel poor homes in London (and includes Warmer Homes) through the installation of energy efficiency measures and zero energy retrofitting for social housing in London.
- 4.12 The Commercial and Public Sector Energy Efficiency programmes covers Cleaner Heat Cashback, a £10m programme to boost non-domestic energy efficiency and reduce the level of nitrogen monoxide and carbon dioxide emissions in the capital by replacing polluting older heating systems with cleaner replacements.
- 4.13 Energy Supply mainly relates to the Mayor's intention to tender for the delivery of an energy supply company to deliver fairer energy bills for Londoners. It also incorporates a project to better utilise waste heat vented from the Tube network at Bunhill.
- 4.14 The Mayor's Construction Academy will create the opportunity for construction skills training providers and construction sector employers to improve the ways in which they work together. Its purpose is to ensure that skills training meets employer needs
- 4.15 The Digital Skills/Talent Programme is an investment to help young people get the skills to fill digital, creative and technology occupations across London's economy.

5. Communities and Intelligence

- 5.1 The Museum of London costs represent an ongoing contribution from the GLA towards essential investment in the core infrastructure of buildings at Docklands and Mortimer Wheeler House.
- 5.2 The Creative Land Trust is a programme to promote and provide affordable workspace for artists and other creatives in London. It will help to maintain London's status as the cultural capital of the world.
- 5.3 The Creative Enterprise Zones programme is an initiative to ensure artists and small creative businesses can thrive in London, by supporting the long-term provision of

affordable workspace, enabling vital business support, and developing skills and enterprise to create jobs for local areas.

- 5.4 The Fourth Plinth project relates to the costs of providing a rolling temporary visual arts exhibit on the fourth plinth in the north west corner of Trafalgar Square. The temporary works of art are commissioned from leading national and international artists.
- 5.5 A Sporting Future for London delivers a lasting sports legacy following the 2012 Olympic and Paralympic Games, through getting more people active, transforming the sporting infrastructure, building capacity and skills, and maximising the benefits of sport to our society.

6. Chief Officer

- 6.1 The City Hall Infrastructure item represents the Facilities Management capital costs of maintaining City Hall.
- 6.2 The Technology Group costs cover servers, PCs and telephony equipment to serve GLA staff.
- 6.3 The Open Projects System item relates to an IT system developed in Housing and Land to project manage and monitor grant applications effectively. Similar needs were identified elsewhere in the GLA and due to its successful implementation within Housing and Land, the program will be developed for other directorates across the GLA.

7. Resources

- 7.1 The Northern Line Extension programme extends the Charing Cross line for 3.2 kilometres from Kennington to Battersea Power station via Nine Elms.
- 7.2 The Crossrail programme sets out the GLA contribution to the additional Crossrail costs.
- 7.3 The London Legacy Development Corporation (LLDC) Loan Funding sets out the short-term lending forecast to LLDC which will be repaid to the GLA in later years from the receipts from developments on LLDC land. There is no funding requirement forecast for 2022-23 at this stage.
- 7.4 UCL East Bank (MHCLG) is the flow through of a contribution from the Government of £100m to University College London (UCL) towards the cost of the UCL campus on the Queen Elizabeth Olympic Park.
- 7.5 LLDC East Bank and Direct Grant expenses show the cost of supporting the development costs of the East Bank arts complex and the amount of grant awarded to LLDC to keep their borrowing at a prudential level.

8. Capital Strategy 2023-24 to 2037-38

- 8.1 The Draft Capital Strategy up to 2037-38 sets out the aspirations and plans to implement the Mayor's policies over the longer term. It also identifies any future long-term commitments and enables scarce resources to be allocated where they can most effectively fund the Mayor's priorities.
- 8.2 A summary of the consolidated Draft GLA Capital Spending Plan for 2023-24 to 2037-38 is shown below.

	Plan	Plan	Plan
GLA	2023-24 to 2027-28	2028-29 to 2032-33	2033-34 to 2037-38
	£000	£000	£000
GLA			
Housing and Land	13,669,750	13,606,000	13,500,000
Development, Enterprise and Environment	435,360	430,800	450,050
Communities and Intelligence	18,200	7,900	7,900
Chief Officer	7,900	7,300	5,800
Corporate Resources	48,900	34,500	29,900
Total Expenditure	14,180,110	14,086,500	13,993,650

9. Housing and Land

- 9.1 The delivery of housing, particularly affordable housing is expected to be a continuing priority for the Mayor for the foreseeable future. The Housing and Land draft spending plan for 2023 to 2038 is set out below.

	Plan	Plan	Plan
Housing and Land	2023-24 to 2027-28	2028-29 to 2032-33	2033-34 to 2037-38
	£000	£000	£000
Potential Expenditure			
Affordable Housing	13,500,000	13,500,000	13,500,000
Enterprise Zones - Royal Docks	19,750	0	0
LLDC JV Transfer to GLAP	150,000	106,000	0
Total Expenditure	13,669,750	13,606,000	13,500,000

- 9.2 Housing and Land have calculated a need for £2.7bn per annum of investment in affordable housing to achieve the aim set out in the London Plan of half of all new homes built to be genuinely affordable. Half of all new homes amounts to 32,500 each year. The £2.7bn over five years creates a requirement for £13.5bn for each period.
- 9.3 The ongoing development of the Royal Docks Enterprise Zone programme assumes further development as proposed in the Royal Docks delivery plan is approved. This is additional to the initial approval given in MD2338.

- 9.4 The LLDC JV Transfer to GLAP costs refer to the costs of investing in the joint venture partnerships which will develop the land owned by the London Legacy Development Corporation (LLDC). These investments will generate joint venture income in the years beyond 2039.

Funding

	Plan	Plan	Plan
Housing and Land	2023-24 to 2027-28	2028-29 to 2032-33	2033-34 to 2037-38
	£000	£000	£000
Potential Funding			
Affordable Housing	3,442,800	3,442,800	3,442,800
Enterprise Zones - Royal Docks	19,750	0	0
JV Income	147,300	86,800	0
GLAP Receipts	2,700	19,200	0
Total Funding	3,612,550	3,548,800	3,442,800

- 9.5 The funding for Housing and Land is mainly grants from the Ministry of Housing, Communities and Local Government (MHCLG). The funding for the Affordable Housing Programme has been agreed for the period up to 2021-22. Although there is no funding certainty beyond 2021-22 it is assumed that the current average level of funding (£689m a year) from Government continues. Over a five-year period this amounts to £3.44bn. If only this level of funding were to be maintained, it would leave a shortfall of £2bn a year to achieve the objective of providing 32,500 affordable homes per annum. Government are being lobbied to increase investment to meet London's need.
- 9.6 The funding for the Royal Docks will come from HIF grant or business rate income in the Enterprise Zone.
- 9.7 The JV Income sets out the anticipated income received from the joint venture investment included in expenditure above. The income in the period 2023-24 to 2027-28 is currently forecast to be sufficient to fund the expenditure.
- 9.8 The GLAP receipts refer to funds received from developments on GLAP land. They will be used to fund the remaining investment in the joint venture.

10. Development, Enterprise and Environment

- 10.1 The long-term expenditure aspirations for Development, Enterprise and Environment are set out below.

Development, Enterprise and Environment	Plan	Plan	Plan
	2023-24 to 2027-28	2028-29 to 2032-33	2033-34 to 2037-38
	£000	£000	£000
Regeneration			
Regeneration Capital	85,000	95,000	105,000
Skills Capital	140,000	150,000	160,000
Crystal Palace NSC	12,560	0	0
Environment			
Homes Energy Efficiency	100,000	100,000	100,000
Sustainable Drainage and Water reuse	10,000	10,000	10,000
Heat Pumps	13,000	18,000	15,000
District Heating Networks	25,000	25,000	25,000
Solar Photovoltaic	7,000	8,000	15,000
National Park City	20,000	12,000	12,000
Waste Reduction	2,800	2,800	2,800
Air Quality	20,000	10,000	5,250
Total Expenditure	435,360	430,800	450,050

- 10.2 The Regeneration Capital expenditure assumes the continuation of the delivery of co-ordinated place-based strategies through public, private and third sector partners that generates growth in a way that works with the physical character of London's many places and provides opportunities for all Londoners to share the benefits of growth. This is achieved through helping local authorities, community groups and business groups improve London and providing business support initiatives, apprenticeships and job training opportunities. The continuation of these programmes is assumed for the period of this strategy.
- 10.3 The Skills Capital programmes assumes there will continue to be investment in high quality equipment and facilities for London's colleges and other education and training providers. The aim of this programme is to:
- respond to current and future skills requirements of employers and learners, improve quality of provision and learner satisfaction, progression and success rates
 - support increased levels of apprenticeship delivery and/or progression to the highest levels of vocational and technical study
 - establish strong and innovative partnerships with employers and local stakeholders.
- The assumption for the future is that the same or similar programmes will be in place to improve educational opportunities for Londoners.

- 10.4 The Crystal Palace National Sports Centre is scheduled for a major refurbishment. Although not yet agreed, an indicative cost plan forecasts total costs of c£40m of which c£12.5m will fall in 2023-24. This assumes the programme goes ahead in 2019-20 with the remaining costs in the period from 2020-21 to 2022-23.
- 10.5 The Mayor's London Environment Strategy sets out bold ambitions for London to meet legal air pollution limits by 2025, World Health Organization air quality guidelines by 2030, become zero carbon by 2050, to make London resilient to climate change and make more than 50% of London green by 2050. Given this ambition, the scale of transition and the absence of either government regulation and/or funding and in the case of energy efficiency a functioning market, there is a clear need for the Mayor to act if this ambition is to be realised.
- 10.6 The proposals seek to target energy efficiency support across all tenures in the domestic and non-domestic sectors at greater scale, improve the quality of London's parks and green spaces, climate resilient and meet World Health Organization guidelines for improving London's air quality to deliver significant health benefits. The funding is designed to support and catalyse investment, stimulate the market where required and help leverage in additional funding from other sources. This includes:
- Homes Energy Efficiency. The Mayor's London Environment Strategy sets out a plan to tackle climate change by setting a target for London to become zero carbon by 2050. London's 3.4 million homes are responsible for around one third of London's total greenhouse gas (GHG) emissions. Approximately 80 per cent of these will still be standing in 2050. By 2050 the emissions from London's homes will need to reduce to around 1.0 MtCO₂e a year from 12.1 MtCO₂e today. This implies retrofitting, up to 2050, more than an average of 100,000 homes each year with energy efficiency improvements and renewable technologies at an estimated average cost of £30,000 per home. The total estimated cost of undertaking this work is therefore £102bn and the proposed capital funding allocation to this area would achieve 0.15% of the 2050 target (without further investment from other sources)
 - Sustainable Drainage and Water Reuse. Climate change in London will result in more intense storms, which increases the risk of surface water flooding and more frequent drought, putting stress on water systems. At the same time, population growth will result in more demand for water. This programme invests in innovation in and mainstreaming of sustainable drainage (SuDS) practices and water reuse. SuDS allow surface water run-off to be managed and controlled closer to the source so water can be captured for use, absorbed into the ground or delayed from entering the sewer system. Water reuse includes capturing and treating rainwater and wastewater for reuse for uses such as toilet flushing at the property. The investment proposed here would trial new technologies for retrofitting SuDS into reuse systems, pilot emerging technology on reuse, real-time weather control technologies and smart meter data engagement, and provide a matching grant programme to support boroughs to install strategic SuDS projects that cannot be done at the development scale.
 - Heat Pumps. The continued reduction of the carbon intensity of grid electricity will mean that efficient electrical heating systems (heat pumps) will be a key technology for London to get to zero carbon. Heat pump take up in both new and existing buildings is required under all energy scenarios modelled to get to zero carbon. The Government has recently announced changes to the measurement of carbon

emissions particularly from the electricity grid which once applied are likely to have an influence on the energy systems selected to meet carbon targets in new build. Retrofitting heat pumps into existing buildings however is more technically challenging and some form of capital funding is likely to be required. The investment proposed here represents 10% of the estimated cost of installing the heat pumps needed in existing buildings, in the form of London specific grants and incentives, on the basis developers will install them in new developments.

- District heating networks form an integral part of the Mayor's strategy for how London will meet its zero-carbon by 2050 target. Heat networks supply buildings across a wide area with low-cost, low-carbon energy from waste and renewable sources to meet their space heating and hot water requirements. Building heating is one of London's largest energy consumers alongside transport and electricity. The proposed investment of £5m per annum over twenty years will be spent on grants and loans to lever other sources of public and private investment in heat network projects. The GLA contribution represents 10% of the £50m capital expenditure required to build 20km of heat network per year and will deliver 6% of the Mayor's CO₂ emissions reduction target by 2050.
- Solar Photovoltaic (PV). The Mayor's draft Solar Action Plan, published alongside the London Environment Strategy in August 2017, outlines how more of London's heat and power can be generated from solar energy. Meeting the Mayor's ambitious zero carbon target is estimated to require ten times more solar energy generation to be installed – 2 gigawatts (GW) by 2050, and around 1 GW by 2030. The investment proposed here will promote the installation of solar PV panels through grants and incentives. It represents 2.5% of the total capital estimated to achieve the Mayor's zero carbon target.
- National Park City. The Mayor wants London to be the first National Park City where more than half of the city's area is green by 2050 and the extent of tree cover across the capital increases by 10% by 2050. Ongoing support for projects and programmes through the Greener City Fund is helping establish and improve green spaces, green the built environment and support tree planting, including the creation of new woodlands. To help make London greener than it is today by 2050 similar levels of funding support are foreseen for the period up to 2039.
- The waste programme represents investment in a series of significant programmes to reduce food or packaging waste and help deliver the London Environment Strategy targets on waste reduction and recycling. This could be similar to the current delivery of drinking fountains to drive reduction of single use plastic. This could be match-funded through partnership working to leverage in additional funding as we have done with Thames Water. Possible target areas include catering/hospitality food waste reduction/segregation, non-beverage plastic food containers, work linked with Extended Producer Responsibility or Deposit Return Schemes, establishing treatment facilities for plastic food packaging or recycled plastic market development.
- Air quality. Further action is needed to achieve legal compliance and tackle remaining hotspots by 2025, as well as to reduce exposure to pollution levels above World Health Organization recommended guidelines to deliver further health benefits. Capital funding will be required to 'mop up' remaining hotspots including by delivering more Low Emission Neighbourhoods, a central London Zero Emission Zone and complementary measures. In addition, audits have been used by the Mayor for primary schools and nurseries in the worst polluted areas in London to

help protect children from toxic air. The audits identify measures to protect pupils' health by reducing pollution levels and exposure. It is anticipated this programme, or something similar potentially targeting hospital, care homes and other sensitive sites, will continue in the coming years.

- 10.7 The funding for all the environment programmes is not confirmed beyond 2020. While there is some chance that energy efficiency and associated measures will receive some government support this is unlikely to apply for most environmental areas. For example, the Government has systematically excluded the GLA from national air quality funding. Therefore, taking effective action will require support from GLA-funding sources.

11. Communities and Intelligence

- 11.1 The projected future expenditure for Communities and Intelligence is set out below.

Communities and Intelligence	Plan	Plan	Plan
	2023-24 to 2027-28	2028-29 to 2032-33	2033-34 to 2037-38
	£000	£000	£000
Expenditure			
Museum of London	5,000	5,000	5,000
Fourth Plinth	400	400	400
Creative Enterprises Zone	300	0	0
Culture at Risk Fund	2,500	2,500	2,500
Culture and Environment Reuse	5,000	0	0
Culture and Environment infrastructure	5,000	0	0
Total Expenditure	18,200	7,900	7,900

- 11.2 The expenditure on the Museum of London represents the cost of investment in the three sites (London Docklands, Mortimer Wheeler House and West Smithfield) to preserve the collection, a statutory obligation. Capital investment requirements are expected to increase from 2023-24 following the move to West Smithfield and the need for ongoing capital investment (infrastructure and capital projects) at the new museum site.
- 11.3 The Fourth Plinth expenditure assumes the current concept of a rolling temporary programme of exhibits on the fourth plinth at Trafalgar Square will continue for the foreseeable future.
- 11.4 It is currently assumed that there will be a second round of Creative Enterprise Zone funding of £300k per year for the four-year period from 2020-21. The Creative Enterprise Zone programme supports the long-term provision of affordable workspace, enabling vital business support, and developing skills and enterprise to create jobs for local areas.
- 11.5 The Culture at Risk Programme is a newly proposed programme to help cultural organisations at risk of closing to cover costs such as leases, equipment and repairs that will help secure their future. The proposal has yet to be agreed.

- 11.6 Culture and Environment Reuse is a new proposed programme to help cultural organisations become more environmentally sustainable by, for example, sharing equipment which will help cultural organisations work more sustainably and reduce costs.
- 11.7 The Cultural and Environment Infrastructure is another newly proposed programme to help cultural organisations become more accessible to tie in with CCI future work on culture and health. The fund will potentially be matched with Arts Council England funds for capital development.
- 11.8 The funding of these proposed programmes is not confirmed at this stage.

12. Chief Officer

- 12.1 The Resources projected long term expenditure is set out in the table below.

Chief Officer's Directorate	Plan	Plan	Plan
	2023-24 to 2027-28	2028-29 to 2032-33	2033-34 to 2037-38
	£000	£000	£000
Expenditure			
City Hall Infrastructure	5,700	5,700	3,600
Technology Group	2,200	1,600	2,200
Total Expenditure	7,900	7,300	5,800

- 12.2 The City Hall Infrastructure costs set out the capital costs of maintaining City Hall over the period.
- 12.3 The Technology Group costs relate to the capital costs of replacement of computers, servers and other technology equipment over the period.
- 12.4 The funding of these proposed programmes is not confirmed at this stage.

13. Resources

- 13.1 The Resources projected long term expenditure is set out in the table below.

Resources	Plan	Plan	Plan
	2023-24 to 2027-28	2028-29 to 2032-33	2033-34 to 2037-38
	£000	£000	£000
Expenditure			
LLDC East Bank & Direct Grant Funding	48,900	34,500	29,900
Total Expenditure	48,900	34,500	29,900

- 13.2 The LLDC East Bank and Direct Grant payments relate to the current payments required to fund the development of the East Bank arts complex on the Queen Elizabeth

Olympic Park. It also refers to the amounts of grant funding which will be paid to ensure the borrowing requirements of the LLDC do not exceed a level considered to be prudent.

Funding

- 13.3 Most of the expenditures set out above under Resources relate to GLA commitments. As such, it will be difficult to avoid the payments being made in the future. The known funding to meet these commitments is shown in the table below.

	Plan	Plan	Plan
Corporate Resources	2023-24 to 2027-28	2028-29 to 2032-33	2033-34 to 2037-38
	£000	£000	£000
Funding			
Use of surplus receipts from LLDC.	48,900	0	26,600
Use of capital funding reserve for LLDC	0	34,500	3,300
Total Funding	48,900	34,500	29,900

- 13.4 The surplus receipts from LLDC refer to the excess receipts from the developments on LLDC land which exceed the capital funding requirements of LLDC.
- 13.5 The capital funding reserve refers to annual amounts being set aside to fund the grant funding to LLDC.