

Report to the Assembly on the Mayor's Final Draft Consolidated Budget for 2018-19

Report to: London Assembly

Date: 22 February 2018

Report of: GLA Conservatives

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PART A: INTRODUCTION & COMMENTARY¹

This is the current Mayor's second budget of his term. In equally difficult times, the previous Mayor had reduced the GLA council tax precept by 10 per cent over his second Mayoral term, which amounted to a real terms cut in the GLA council tax bill of 28 per cent. While there are good reasons to support the Government's plans to increase the council tax take in order to fund the police, there is absolutely no justification for raising the non-policing council tax to fund other GLA services. This submission highlights how efficiencies and savings can be made that ensure that an increase in this part of the council tax is unnecessary.

This Mayor plans to increase the average Band D precept paid by Londoners from April by £14.21. Of this, £12 will be raised from the policing part of the precept, the remaining £2.21 (a 2.99% increase on the non-policing precept) will be allocated to fire and rescue services. An offsetting adjustment will be made to the Fire Brigade's retained business rates income to ensure the fire service benefits from an overall increase in income equivalent to a 1.99 per cent increase in the non-policing precept and the police from the remaining 1 per cent, based on the taxbase growth of 2 per cent forecast in the Draft Consolidated Budget. The police will also benefit from the additional taxbase growth now confirmed from the Brorough's returns – this is equivalent to an additional 0.4 per cent of the whole precept. The policing precept has been raised by so much this year due to a Home Office plan to increase police funding across England and Wales. Given that the Metropolitan Police Service has had to deal with a number of terrorist attacks this year, the Grenfell Tower tragedy and a general increase in violent crime, we are supportive of the Government's plan to increase police funding to help keep Londoners safe.

We are also completely supportive of the need to fund increases in the level of support the London Fire Brigade can provide to incidents similar to those like that which occurred at Grenfell Tower. What we disagree with, is the need to use the additional non-policing precept increase to pay for these additional services. Instead, we would want to reallocate existing GLA budgets in City Hall, such as the marketing

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

Appendix 3

and PR budgets, to pay for these additional services. The additional £4.4 million of funding that the Mayor is currently allocating to the Fire Brigade (excluding the amount allocated to replace a capital receipt in relation to Southwark Fire Station) , we would like to go towards funding the Metropolitan Police Service.

So that, under this budget amendment, all of the additional monies allocated by the Mayor to LFC (excluding the amount to replace a capital receipt) will go towards funding the police.

GLA Mayor

	Mayor's Final Budget	Conservative Amendment
	£m	£m
External Affairs	9.4	-1.6
London and Partners	13.7	-1.8
Mayor's Office	6.0	-0.9
Retained business rates freed up from savings proposals transferred to LFC	0.0	4.3
Proposed 2018-19 council tax requirement	67.7	67.7

Over the first 18 months of Sadiq Khan's mayoralty, Londoners have witnessed a raft of broken promises from the Mayor's election campaign. To date, there have been at least nine broken promises:

1. "Londoners won't pay a penny more in fares";
2. "There will be zero days of strikes";
3. The failure to cut the Olympic council tax precept as promised;
4. Stepping back from the 50% affordable homes target;
5. The promise to build 80,000 homes per year;
6. The renegeing on the promise to cut bus fares;
7. Removing funding for the Sutton Tram Extension;
8. Scrapping of the Metropolitan Line Extension to Watford Junction;
9. Backtracking on the promise to plant 2 million new trees.

If the Mayor's previous record is anything to go by, the forthcoming financial years promises more disappointments for Londoners.

The Mayor has raised both elements of the precept; increasing the policing precept by 5.8 per cent and the non-policing precept by 2.99 per cent. One per cent of the latter, plus the additional income raised from the council tax base buoyancy being 0.4 per cent greater than assumed in the draft budget, will go towards further funding the police, with the remainder going towards funding the London Fire Brigade

GLA Conservatives agree with the Mayor's spending priorities, but we would want all of the additional council tax revenues going towards the police. The increased spending for the London Fire Brigade should

Appendix 3

instead be met through efficiencies generated from a bloated GLA budget. As was pointed out in last year's budget submission from the Conservative Group, the Mayor has chosen to employ an additional 100 members of staff to the GLA, instead of repurposing or retraining staff. This is unjustified at a time when other members of the GLA family, including the police, are having to reduce overall staffing numbers.

One area of the GLA budget to cut is the External Affairs budget. This budget is primarily used for PR, marketing, events and international affairs purposes. Since the last Mayor's final year in office, this budget has grown by £1.6m (a 17 per cent increase). We would want this to be cut back to pre-existing levels, with the additional funding being used to support the LFB's response to the Grenfell tragedy.

Another budget that should be cut back is the London & Partners budget. This organisation is tasked with promoting London tourism and businesses abroad, but GLA Conservatives are sceptical about the efficiency of the often opaque organisation. Also, the Group has doubts as to whether London, a truly global city, needs the help of London & Partners to promote its interests. Regardless, at a time of ongoing budget pressures, it is unjustifiable to increase this budget at this time. Thus, the £1.8 million budget increase that was scheduled for 2018/19 (a 15 per cent increase), should instead be reallocated to the LFB.

A final budget to cut in the GLA budget is the Mayor's Office. With the police and fire brigade seeking additional funds, it is not a responsible decision to increase the budget for the Mayor's own office by £0.9 million (an 18 per cent increase). The additional spending is being used to increase the Mayor's PR presence and expand his team of personal advisers. This should not be the Mayor's priority at this time, and this spend should instead contribute towards the LFB's response to the Grenfell tragedy.

These proposed savings would total £4.3 million, and this would be transferred to LFC though switching retained business rates income from the GLA Mayor budget to the LFC budget, to free up council tax income that could be allocated to the police. The remaining £0.1 million of the £4.4 million additional council tax allocated to the police under our proposal would be funded from part of the £0.9 million reduction on the London TravelWatch budget in the Assembly budget, set out below.

GLA Assembly

	Mayor's Final Budget	Conservative Amendment
	£m	£m
Funding for London TravelWatch	1.0	-0.9
Retained business rates transferred to TfL budget to support proposed increase in LIP	0.0	0.8
Retained business rates freed up from savings proposals transferred to LFC budget	0.0	0.1
Proposed 2018-19 council tax requirement	2.6	2.6

Appendix 3

The Mayor proposes that the Assembly's council tax requirement will be £2.6 million in 2018/19. The overall revenue budget is growing by £0.4m, although that is not being funded through council tax revenues. Given the Mayor has increasingly taken on more responsibilities over recent years and is likely to receive further devolution in the future. As such, it is perfectly reasonable to suggest that the Assembly's scrutiny and investigations budget also receives a comparatively minor increase in funding.

Consistent to what we have asked for in previous years, GLA Conservatives would like to see a significant reduction in the budget for London TravelWatch. This is an ineffective body that either replicates that work of the Assembly Transport Committee or mimics the work of Transport Focus, the national passenger watchdog. As a result, it is a redundant organisation and its funding should be reduced with a consequential reduction to the retained business rates allocated to the Assembly. The functions of TravelWatch should then be transferred to both the Transport Committee and Transport Focus.

Our proposed saving in the London TravelWatch budget is £0.9 million. This saving would result in a £0.9 million decrease in retained business rates required to support the budget. £0.1 million of retained business rates freed up from this would be allocated to LFC, so that once added to the £4.3 million from the savings we propose in the GLA budget, the total increase in council tax income freed up for inclusion in the MOPAC budget would be £4.4 million. The remaining £0.8 million from the £0.9 million saving in the London TravelWatch budget would be used to fund additional LIP funding in the TfL budget through a transfer of retained business rates from the GLA Assembly budget to the TfL budget (further details are set out in the TfL section below).

Mayor's Office for Policing and Crime

	Mayor's Final Budget	Conservative Amendment
	£m	£m
Additional funds for the MOPAC budget through increasing the police council tax precept (made possible through the savings identified in the GLA: Mayor and GLA: Assembly budgets)	0.00	4.4
Proposed 2018-19 council tax requirement	641.4	645.8

The 2018-19 Police Funding Settlement was released on 19 December 2017. The settlement:

- keeps the Home Office Police Grant flat in cash terms
- allows an increase of £12 in Council Tax police precept for each police force
- increases counter-terrorism funding by £50 million nationally
- provides £130 million of additional funding nationally for priorities such as police technology and Home Office Special gGrants.

Appendix 3

The biggest change to police funding is in council tax. The 2018-19 Police Grant Report now allows all Police and Crime Commissioners to raise the police council tax precept by £12 for the average band D property – an increase of 5.8 per cent compared to the Mayor’s 2017-18 policing precept. The Mayor has chosen to raise council tax by this amount, which the GLA Conservatives agree is the correct means through which to close the police budget gap for this coming financial year and the next.

The Mayor has now dropped the previous strategic target of 32,000 officers and the 2018-19 budget only provides funding for 30,000 officers, with the £59 million in the final draft budget that the Mayor is investing in additional business rates and council tax to the police supporting an extra 1,000 police officers from 2019-20 than would otherwise be affordable. This follows on from last year’s budget which removed £38 million from the staffing budget and only provided funding for 31,000 officers, although at the time the Deputy Mayor for Policing and Crime and the Mayor both insisted that the strategic target of 32,000 officers still stood, despite it being impossible to be met.

The savings we have identified in the GLA Mayor and GLA Assembly budgets will allow for £4.4 million of additional council tax income to be allocated to the MOPAC budget, ensuring that the police budget gains from all the additional income raised from a £14.21 increase in the Mayor’s council tax precept.

London Fire Commissioner

	Mayor’s Final Budget	Conservative Amendment
	£m	£m
Retained business rates available through GLA Mayor savings, transferred to the LFC	0.0	4.3
Retained business rates available through GLA Assembly savings, transferred to the LFC	0.0	0.1
Council tax decrease in the non-policing precept (allowing additional income to be raised through the policing precept)	0.0	-4.4
Proposed 2018-19 council tax requirement	148.0	143.6

The LFC’s net revenue budget is set to increase by just over £5 million in 2018-19 to £398.6million. More significantly, the Mayor has signalled his intention to increase the level of funding available to the LFC over the coming years. In last year’s budget, GLA funding had been set flat at £382.4 million until 2020-21; in this year’s draft budget, it will increase by approximately £8 million a year, reaching some £401 million by 2021-22.

In order to achieve this, the Mayor has raised the non-police part of the council tax precept by 2.99 per cent, and reduced business rates funding for the LFC so that the total additional funding provided is equivalent to a 1.99 per cent increase in the total council tax precept, based on 2 per cent taxbase

Appendix 3

growth. When assessing the performance of LFEPA under the previous Mayor, Anthony Mayer's independent review of the London Fire Brigade concluded that "despite reductions to frontline services...the London Fire Brigade has performed well".

In light of the Grenfell fire, the LFC has conducted a review of its requirements for specialist equipment and support. The review identified one-off capital costs of £5.2 million, including:

- 3x extended height aerial appliances - £2.4 million
- 1,200x extended duration breathing apparatus sets - £2.8 million

The LFC will incur additional financing costs for these items, estimated at approximately £0.8 million a year.

This review approved the setting aside of £6.8 million into a new earmarked reserve to cover additional resilience requirements (of which £1 million is due to be spent in 2017-18, leaving a balance of £5.7 million available to fund additional resilience requirements such as those identified above).

. The GLA Conservatives agree that additional funds are required for the additional appliances that are required, where we differ is that we believe that the additional funds should come from cuts to the Mayor's bloated GLA budget and the London Travel watch budget, with the £4.4 million made available through our proposed savings to these budgets going towards the police instead.

The Mayor's budget proposes a £5.3 million saving from the vacancy margin. Going forward we would want LFC to better manage its vacancy margin. We would urge LFC to make better hiring decision to ensure that the gap is not so large in the future.

Transport for London

	Mayor's Final Budget	Conservative Amendment
	£m	£m
Additional revenues from the scrapping of nominee passes	0.0	-32.00
Increase in LIP funding	0.0	37.40
Business rates resources freed up from GLA Assembly savings transferred to TfL	0.0	-0.8
Use of TfL reserves	0.0	-4.6
Proposed 2018-19 council tax requirement	6.0	6.0

Appendix 3

After eight years of keeping costs down and ensuring a tight grip on TfL finances under Boris Johnson, Sadiq Khan has confirmed, amongst other things, that long-term borrowing for this body will increase by 46 per cent; that there should be a 27 per cent increase in long-term liabilities; and that at least £640m will be foregone in lost fare revenues due to Khan's fares freeze.

This Mayor has much to improve if he is to deliver for Londoners on transport policy. Below is some detail on how he could do just this.

Nominee Passes

GLA Conservatives have consistently campaigned on this issue and will continue to in this budget submission, but it is a strange and puzzling phenomenon that, at a time when TfL needs to 'cut the fat' and become self-financing by the end of 2018, Transport for London (TfL) offers, as an employee perk, free and non-taxable travel on the TfL network for nominees of their staff. Nominee Passes are not only open to a family member, they are also available to any one person residing in the staff member's household – be they a lodger or a flatmate.

Neither the Metropolitan Police Service nor the London Fire Brigade, which are widely considered as more vital organisations, offer such passes to nominees of their staff. So why does TfL continue this unaffordable and unfair practice? Although TfL have stated that the provision of free travel to staff nominees is nil because the number of such journeys is insufficient to require additional services, this is disingenuous as there is a reduction in income from the loss of fare revenues.

The latest figures from TfL suggest that there are 19,341 TfL employees that have a Nominee Pass and 20,543 employees of London bus operators that have Nominee Passes: 39,884 in total. If it is assumed that the average journey is undertaken by commuters is a journey between Zone 1 and 3, and that only half of those with a Nominee Pass would purchase a Travelcard if this was removed (a conservative estimate), then the additional fares revenue that TfL could expect to raise would be £32 million.²

In this budget submission, we would like to see nominee passes scrapped at the earliest opportunity and the additional revenues used to fund the cuts to LIP funding mentioned below.

LIP funding

TfL published its revised Business Plan for the years 2018/19 to 2022/23 on 24 November 2017. This no longer commits to protecting borough LIP funding, as was guaranteed in the previous Business Plan, published in December 2016. The current Business Plan commits only to maintaining "significant levels" of LIP funding. The main reason that the transport body gave for this reduction in funding is that it is necessary due to the loss of its revenue grant from government from April 2018.

However, TfL have known about this since 2015, i.e. during the previous mayoralty. The revenue grant was phased out over a number of years and TfL should be well-prepared for the transition. The real reason for the cuts to LIP funding is that Sadiq Khan's decision has meant that TfL now has a huge black hole in its finances that it needs to plug.

This submission would rather monies used from the defunding of TravelWatch and the scrapping of Nominee Passes be used to help plug the LIP funding gap for next year. It was £49m in the December

² A Zone 1-3 Annual Travelcard currently costs £1,600

Appendix 3

2017 TfL Business Plan when compared to the 2016 TfL Business Plan. This cut has now been reduced by £11.6m due to pressures from the GLA Conservatives and other campaign groups. However, a cut of £37.4m is still a heavy cut of 16.8 per cent.

After accounting for this additional income set out above, there is still a gap for the 2018/19 year of £4.6m. Given that this is a one-off funding gap, we recommend that TfL plugs this shortfall by tapping its forecast £699m earmarked reserves as at April 2018, which would represent 0.7 per cent of that fund.

It is the belief of the Group that TfL should, out of the projected efficiencies in its 2017 Business Plan, ensure that LIP funding is at least flat in nominal terms going forward.

TfL had previously said that all of its earmarked reserves had been earmarked for specific projects, but when challenged to identify projects for which these have been allocated to, TfL was unable or unwilling to do so. We consider this unacceptable. TfL could do a lot to make its reserve allocations more transparent, and we are unconvinced that a fund of that size has been fully earmarked, especially as TfL could not break those allocations down by project spend.

London Legacy Development Corporation

The London Legacy Development Corporation (LLDC) is responsible for promoting and delivering the regeneration of Queen Elizabeth Olympic Park and the surrounding area. Since London 2012, the LLDC has been working to transform the Park and venues from their Olympic to their legacy configuration. The Copper Box Arena, Timber Lodge, North Park and Aquatics Centre re-opened by March 2014. The ArcelorMittal Orbit and re-modelled South Park opened in April 2014 and the London Stadium is now fully functioning.

The Corporation will also bring forward plans introduced by the previous mayor to create a Cultural and Education District (CED) in the Olympic park area. This scheme will bring together the world class cultural and education institutions of Sadler's Wells, University of Arts London (UAL), UCL and the Victoria and Albert Museum (V&A) to create an arts and education quarter that will bring 3,000 jobs in the area and attract 1.5 million visitors a year.

The £1.3 billion programme is funded through a combination of Government funding, contributions from partners, receipts from the sale of residential developments, philanthropic donations and GLA funding.

Overall, revenue expenditure in 2018-19 is budgeted to be £39.0 million including estimated capital financing costs of £13.2 million, £25.8 million net of financing costs. Gross revenue expenditure has decreased by £2.0 million from the 2017-18 revised budget due to gross savings, efficiencies and other expenditure reductions of £3.0 million and an increase of £1.0 million in financing costs.

Old Oak and Park Royal Development Corporation

The Mayoral Development Corporation (MDC) for the Old Oak and Park Royal area came into operation on 1 April 2015. The new High Speed 2 (HS2), Crossrail and Great West Mainline stations at Old Oak Common will provide the impetus for a once in a lifetime regeneration opportunity in that part of West London. The OPDC, utilising its planning and regeneration powers, will ensure that all these benefits are captured and maximised to deliver much needed jobs and homes in London.

Public consultation on OPDC's Local Plan was completed in September 2017, with the intention to submit in 2018. The Local Plan aims to:

- create a new urban neighbourhood at Old Oak, supporting a minimum of 24,000 new homes and an additional 1,500 in non-industrial locations in Park Royal;
- support the creation of 55,000 new jobs at Old Oak and a further 10,000 at Park Royal;
- protect and enhance Park Royal as a strategic industrial location;
- ensure new development safeguards at nearby amenity assets such as Wormwood Scrubs and the Grand Union Canal; and
- work with communities, residents and businesses to realise the strategy.

The GLA Conservatives are very supportive of the OPDC, and indeed voted for its creation under the last mayoralty. In last year's submission, we had asked for a proposed cut in funding for the OPDC to be reversed, and in part it was. The Mayor is, by and large, continuing the same funding for the OPDC at £7.9m.

The OPDC does not require any council tax this year, as is standard.

PART B: Proposal to approve, with amendments, the Final Draft Consolidated Budget for the 2018-19 financial year for the Greater London Authority and the Functional Bodies.

RECOMMENDATIONS:

FORMAL BUDGET AMENDMENT

1. The Mayor's Final Draft consolidated budget (together with the component budgets comprised within it) for 2018-19 be amended by the sum(s) shown in column number 3 of the table for each constituent body, as set out and in accordance with the attached Schedule.

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

2. The calculations referred to in recommendation 1 above, give rise to a component council tax requirement for 2018-19 for each constituent body as follows:

<i>Constituent body</i>	Component council tax requirement
Greater London Authority: Mayor of London	£67,637,449
Greater London Authority: London Assembly	£2,623,300
Mayor's Office for Policing and Crime	£645,781,963
London Fire Commissioner	£143,624,886
Transport for London	£6,000,000
London Legacy Development Corporation	£0
Old Oak and Park Royal Development Corporation	£0

3. The component council tax requirements shown in recommendation 2 above, give rise to a consolidated council tax requirement for the Authority for 2018-19 (shown at Line 99 in the attached Schedule) of **£865,667,598**.

BUDGET RELATED MOTIONS

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

NOTES:***Assembly's powers to amend the Mayor's Final Draft consolidated budget***

- a. The Mayor is required to set a consolidated and component council tax requirement and it is this amount which the Assembly has the power to amend. The council tax requirement equates to the amount which will be allocated to the Mayor, the Assembly and for each functional body from the Mayor's council tax precept. These individual functional body requirements are consolidated to form the consolidated council tax requirement for the GLA Group.
- b. A two thirds majority of votes cast by Assembly Members is required to approve any amendment to recommendations (1) to (3) above concerning the Final Draft Consolidated Budget; abstentions are not counted.
- c. If a two thirds majority to approve an amendment is not achieved then the Mayor's Final Draft Consolidated Budget, is therefore approved without amendment.
- d. Lines 4 (GLA Mayor), 18 (Assembly), 32 (MOPAC), 46 (LFC / LFEPA), 60 (TfL), 74 (LLDC) and 88 (OPDC) within the expenditure estimates are used to allocate any revenue account deficit being met from reserves relating to a prior financial year. Under the Mayor's proposals the GLA (Mayoral) component budget (line 10) includes the GLA's share of the forecast net collection fund surplus at 31 March 2018 in respect of council tax and retained business rates as reported by the 33 London Billing Authorities. This is nominally allocated to the GLA in line with accounting practice as the precepting authority but in principle the surplus can be attributed to any component budget.
- e. The income estimates calculated under section 85 5(a) of the GLA Act are presented in five parts within the statutory calculations:
 - Income not in respect of Government grants, business rates retention or the council tax precept. This includes fare revenues; congestion charging income; the Crossrail Business rate supplement; and all other income not received from central government, through the council tax precept or for retained business rates. (line 6 for the Mayor, line 20 for the Assembly, line 34 for MOPAC, line 48 for LFC / LFEPA , line 62 for TfL, line 76 for the LLDC and line 90 for the OPDC);
 - Income in respect of specific and special government grants. This includes those grants which are not regarded as general grants and are nominally paid for specific purposes and must generally be applied and allocated to the relevant functional body. This includes Home Office specific grants for MOPAC and other grants paid for specific purposes to the LFC / LFEPA and TfL (line 7 for the Mayor, line 21 for the Assembly, line 35 for MOPAC, line 49 for LFC / LFEPA, line 63 for TfL, line 77 for the LLDC and line 91 for the OPDC);
 - Income in respect of general government grants. For MOPAC only this includes its general Home Office grant comprising the core Home Office police grant, National and International Capital Cities grant, council tax legacy support and principal police formula component funding streams that must be allocated to MOPAC (line 36 for MOPAC, line 50 for LFC / LFEPA, line 64 for TfL, line 78 for the LLDC and line 92 for OPDC);

Appendix 3

- Income in respect of retained business rates including estimated related section 31 grant income payable by the Secretary of State under the Local Government Act 2003 and the element of the GLA's business rates income used to meet the fixed tariff payment to the Secretary of State (line 9 for the Mayor, line 23 for the Assembly, line 37 for MOPAC, line 51 for LFC / LFEPA, line 65 for TfL, line 79 for the LLDC and line 93 for OPDC). The amount allocated to the GLA Mayor component budget on line 9 can be no lower than £687.3 million representing the tariff payment due to the Secretary of State in 2018-19; and
 - The GLA's estimated share of any aggregate forecast net collection fund surplus at 31 March 2018 reported by the 33 London billing authorities in respect of either council tax and/or retained business rates. These surpluses are nominally allocated to the GLA Mayoral component reflecting its responsibility for the administration of these funding sources but in principle they can be attributed to any component budget. For the Final Draft budget this figure reflects the GLA's share of the forecast net collection fund surplus at 31 March 2018 in respect of council tax and retained business rates as reported by the 33 London Billing Authorities. (line 10 for the Mayor, line 24 for the Assembly, line 38 for MOPAC, line 52 for LFC / LFEPA, line 66 for TfL, and line 80 for the LLDC).
- f. A subtotal for income items before the use of reserves (line 11 for the Mayor, line 25 for the Assembly, line 39 for MOPAC, line 53 for LFC / LFEPA, line 67 for TfL, line 81 for the LLDC and line 95 for the OPDC) is included in the proforma and must also be amended to reflect the sum of any amendments made to the income items listed in paragraph d above.
- g. The proposed use of reserves to meet expenditure is recorded in lines 12 (Mayor), 26 (Assembly), 40 (MOPAC), 54 (LFC / LFEPA), 68 (TfL), 82 (LLDC) and 96 (OPDC). The overall income total including the use of reserves and the sum of the income items from paragraph e is recorded in lines 13 (Mayor), 27 (Assembly), 41 (MOPAC), 55 (LFC / LFEPA), 69 (TfL), 83 (LLDC) and 97 (OPDC) – and again this must also be amended to reflect the sum of any amendments made to the income items described in paragraphs d and e above.

Council tax base and GLA Share of Billing Authority Collection Fund Surpluses or Deficits

- h. For the purposes of the Final Draft budget calculations the council tax requirements are calculated using the aggregated approved 2018-19 council taxbases for the 33 London billing authorities – 2,947,528.61 Band D equivalent properties for non police services and 2,940,317.64 for police services (i.e. excluding the taxbase for the City of London). This Final Draft budget also reflects the the GLA's share of the forecast net collection fund surplus at 31 March 2018 in respect of council tax and retained business rates as reported by the 33 London Billing Authorities. The collection fund surpluses/deficits are adjusted for in 2018-19 through amending the instalments payable to the GLA by billing authorities.

Compliance with Council Tax "Excessiveness Principles" Set by the Secretary of State

- i. A Band D council tax for non police services in the City of London (the unadjusted basic amount of council tax applying in the City) which exceeds £76.10 and/ or a total council tax elsewhere (the adjusted basic amount applying in the 32 London boroughs) which exceeds £294.23 would be regarded as "excessive" under the council tax excessiveness principles published by the Secretary of State. This is because a higher Band D amount in either case will result in an increase at or above the thresholds set by the Secretary of State in the principles, in which case the increase is regarded as "excessive," thereby triggering (in either or both cases as applicable) the requirement to hold a council tax referendum of local government electors across the whole of Greater London (excluding electors in the City of London if only the adjusted precept is excessive).

Appendix 3

- j. Assembly Groups should therefore seek advice should they wish to propose amendments which have the effect of increasing the precept compared to the figures proposed by the Mayor of £76.10 (the unadjusted amount of council tax in the City) and £294.23 (the adjusted amount in the 32 boroughs) as it is possible that the amendment could breach the excessiveness principles depending on the apportionment of any additional council tax precept income raised between police and non police services.

- k. If an amendment resulting in an “excessive” council tax is passed at the 22 February meeting at which the Final Draft budget is to be considered, the Assembly will also be required to approve an alternative default or ‘substitute’ budget that is compliant with the excessiveness principles and which would become the budget should any resulting referendum not be passed – in effect one consistent with an unadjusted council tax of £76.10 (in the area of the Common Council of the City of London) and/or an adjusted council tax of £294.23 (in the 32 London Boroughs) depending on which (or both) is/are “excessive”. Part 3 of the Mayor’s Final Draft budget provides advice to Assembly members on Council tax referendum issues.

SCHEDULE

Part 1: Greater London Authority: Mayor of London ("Mayor") Final Draft component budget

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

1	2	3	4
Line	Mayor's Proposal	Budget amendment	Description
1	£1,259,414,161	£1,255,092,870	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
2	£1,900,000	£	estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act
3	£23,135,933	£	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act
4	£0	£	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the GLA Act
5	£1,284,450,094	£1,280,128,803	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Mayor (lines (1) + (2) + (3) + (4) above)
6	-£195,426,350	-£	estimate of the Mayor's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
7	£0	-£	estimate of the Mayor's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
8	£0	-£	estimate of the Mayor's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
9	-£905,685,942	-£901,385,942	estimate of the Mayor's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
10	-£97,752,712	-£	estimate of the Mayor's share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
11	-£1,198,865,004	-£1,194,565,004	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (6) + (7) + (8) + (9) + (10))
12	-£17,926,350	-£	estimate of Mayor's reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act
13	-£1,216,791,354	-£1,212,491,354	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Mayor (lines (11) + (12) above)
14	£67,658,740	£67,637,449	the component council tax requirement for the Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (13) above calculated in accordance with section 85(6) of the GLA Act)

The Final Draft component council tax requirement for the Mayor for 2018-19 (line 14 col 3) is £67,637,449

Appendix 3

Part 2: Greater London Authority: London Assembly (“Assembly”) Final Draft component budget

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
15	£7,813,742	£6,913,742	estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the GLA Act
16	£0	£	estimated allowance for contingencies for the Assembly under s85(4)(b) of the GLA Act
17	£0	£	estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the GLA Act
18	£0	£	estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the GLA Act
19	£7,813,742	£6,913,742	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Assembly (lines (15) + (16) + (17) + (18) above)
20	£0	-£	estimate of the Assembly’s income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
21	£0	-£	estimate of the Assembly’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
22	£0	-£	estimate of the Assembly’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
23	-£5,190,442	-£4,290,442	estimate of the Assembly’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
24	£0	-£	estimate of the Assembly’s share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
25	-£5,190,442	-£4,290,442	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (line (20) + (21) + (22) + (23) + (24))
26	£0	-£	estimate of Assembly’s reserves to be used in meeting amounts in lines 19 above under s85(5)(b) of the GLA Act
27	-£5,190,442	-£4,290,442	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Assembly (lines (25) + (26) above)
28	£2,623,300	£	the component council tax requirement for the Assembly (being the amount by which the aggregate at (19) above exceeds the aggregate at (27) above calculated in accordance with section 85(6) of the GLA Act)

The Final Draft component council tax requirement for the Assembly for 2018-19 (line 28 col 3) is £ 2,623,300

Appendix 3

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

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

1	2	3	4
Line	Mayor's proposal	Budget amendment	Description
29	£3,331,520,194	£3,335,930,669	estimated expenditure of the MOPAC calculated in accordance with s85(4)(a) of the GLA Act
30	£0	£	estimated allowance for contingencies for the MOPAC under s85(4)(b) of the GLA Act
31	£0	£	estimated reserves to be raised for meeting future expenditure of the MOPAC under s85(4)(c) of the GLA Act
32	£0	£	estimate of reserves to meet a revenue account deficit of the MOPAC under s85(4)(d) of the GLA Act
33	£3,331,520,194	£3,335,930,669	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the MOPAC (lines (29) + (30) +(31) + (32) above)
34	-£263,779,807	-£	estimate of the MOPAC's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
35	-£423,300,000	-£	estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£1,882,068,900	-£	estimate of the MOPAC's income in respect of general government grants (revenue support grant, core Home Office police grant and principal police formula grant) calculated in accordance with s85(5)(a) of the GLA Act
37	-£92,000,000	-£	estimate of the MOPAC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
38	£0	-£	estimate of MOPAC's share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
39	-£2,661,148,707	-£	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (34) + (35) + (36) + (37) +(38))
40	-£29,000,000	-£	estimate of MOPAC's reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act
41	-£2,690,148,707	-£	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the MOPAC (lines (39) + (40) above)
42	£641,371,487	£645,781,963	the component council tax requirement for MOPAC (being the amount by which the aggregate at (33) above exceeds the aggregate at (41) above calculated in accordance with section 85(6) of the GLA Act)

The Final Draft component council tax requirement for the MOPAC for 2018-19 (line 42 col 3) is: £645,781,963

Appendix 3

Part 4: London Fire Commissioner (“LFC” / “LFEPa”) Final Draft component budget

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

1	2	3	4
Line	Mayor’s Proposal	Budget amendment	Description
43	£435,374,962		£ estimated expenditure of LFC / LFEPa for the year calculated in accordance with s85(4)(a) of the GLA Act
44	£0		£ estimated allowance for contingencies for LFC / LFEPa under s85(4)(b) of the GLA Act
45	£374,962		£ estimated reserves to be raised for meeting future expenditure of LFC / LFEPa under s85(4)(c) of the GLA Act
46	£0		£ estimate of reserves to meet a revenue account deficit of LFC under s85(4)(d) of the GLA Act
47	£435,749,925		£ aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFC / LFEPa (lines (43) + (44) + (45) + (46) above)
48	-£36,825,038		-£ estimate of LFC / LFEPa’s income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
49	-£12,200,000		-£ estimate of LFC / LFEPa’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
50	£0		-£ estimate of LFC / LFEPa’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
51	-£238,700,000	-£243,100,000	estimate of LFC / LFEPa’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
52	£0		-£ estimate of LFC / LFEPa’s share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
53	-£287,725,038	-£292,125,038	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (48) + (49) + (50) + (51) + (52))
54	£0		-£ estimate of LFC / LFEPa’s reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act
55	-£287,725,038	-£292,125,038	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFC / LFEPa (lines (53) + (54) above)
56	£148,024,887	£143,624,886	the component council tax requirement for LFC / LFEPa (being the amount by which the aggregate at (47) above exceeds the aggregate at (55) above calculated in accordance with section 85(6) of the GLA Act)

The Final Draft component council tax requirement for LFC / LFEPa for 2018-19 (line 56 col 3) is: £143,624,886

Appendix 3

Part 5: Transport for London (“TfL”) Final Draft component budget

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
57	£7,103,000,000	£7,140,400,000	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the GLA Act
58	£0	£	estimated allowance for contingencies for TfL under s85(4)(b) of the GLA Act
59	£0	£	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the GLA Act
60	£0	£	estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act
61	£7,103,000,000	£7,140,400,000	aggregate of the amounts for the items set out in s85(4) of the GLA Act for the TfL (lines (57) + (58) + (59) + (60) above)
62	-£6,100,500,000	-£6,132,500,000	estimate of TfL’s income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
63	-£49,400,000	-£	estimate of TfL’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
64	£0	-£	estimate of TfL’s income in respect of general government grants (revenue support grant and the GLA Transport General Grant) calculated in accordance with s85(5)(a) of the GLA Act
65	-£947,100,000	-£947,900,000	estimate of TfL’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
66	£0	-£	estimate of TfL’s share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
67	-£7,097,000,000	-£7,129,800,000	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act for TfL (lines (62) + (63) + (64) + (65) + (66) above)
68	£0	-£4,600,000	estimate of TfL’s reserves to be used in meeting amounts in line 61 above under s85(5) (b) of the GLA Act
69	-£7,097,000,000	-£7,134,400,000	aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68))
70	£6,000,000	£	the component council tax requirement for TfL (being the amount by which the aggregate at (61) above exceeds the aggregate at (69) above calculated in accordance with section 85(6) of the GLA Act)

The Final Draft component council tax requirement for TfL for 2018-19 (line 70 col 3) is: £6,000,000

Appendix 3

Part 6: London Legacy Development Corporation (“LLDC”) Final Draft component budget

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
71	£39,000,000		£ estimated expenditure of LLDC for the year calculated in accordance with s85(4)(a) of the GLA Act
72	£0		£ estimated allowance for contingencies for LLDC under s85(4)(b) of the GLA Act
73	£0		£ estimated reserves to be raised for meeting future expenditure of LLDC under s85(4)(c) of the GLA Act
74	£0		£ estimate of reserves to meet a revenue account deficit of LLDC under s85(4)(d) of the GLA Act
75	£39,000,000		£ aggregate of the amounts for the items set out in s85(4) of the GLA Act for LLDC (lines (71) + (72) + (73) + (74) above)
76	-£35,400,000		-£ estimate of LLDC’s income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
77	£0		-£ estimate of LLDC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
78	£0		-£ estimate of LLDC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
79	-£3,600,000		-£ estimate of LLDC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
80	£0		-£ estimate of LLDC’s share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
81	-£39,000,000		-£ aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (76) + (77) + (78) + (79) + (80))
82	£0		-£ estimate of LLDC’s reserves to be used in meeting amounts in line 75 above under s85(5)(b) of the GLA Act
83	-£39,000,000		-£ aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (81) + (82) above)
84	£0		£ the component council tax requirement for LLDC (being the amount by which the aggregate at (75) above exceeds the aggregate at (83) above calculated in accordance with section 85(6) of the GLA Act)

The Final Draft component council tax requirement for LLDC for 2018-19 (line 84 col 3) is: £0

Appendix 3

Part 7: Old Oak and Park Royal Development Corporation (“OPDC”) Final Draft component budget

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
85	£7,900,000	£	estimated expenditure of OPDC for the year calculated in accordance with s85(4)(a) of the GLA Act
86	£0	£	estimated allowance for contingencies for OPDC under s85(4)(b) of the GLA Act
87	£0	£	estimated reserves to be raised for meeting future expenditure of OPDC under s85(4)(c) of the GLA Act
88	£0	£	estimate of reserves to meet a revenue account deficit of OPDC under s85(4)(d) of the GLA Act
89	£7,900,000	£	aggregate of the amounts for the items set out in s85(4) of the GLA Act for OPDC (lines (85) + (86) + (87) + (88) above)
90	-£2,800,000	-£	estimate of OPDC’s income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
91	£0	-£	estimate of OPDC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
92	£0	-£	estimate of OPDC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
93	-£5,100,000	-£	estimate of OPDC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
94	£0	-£	estimate of OPDC’s share of any net council tax collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
95	-£7,900,000	-£	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (90) + (91) + (92) + (93) + (94))
96	£0	-£	estimate of OPDC’s reserves to be used in meeting amounts in line 89 above under s85(5)(b) of the GLA Act
97	-£7,900,000	-£	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for OPDC (lines (95) + (96) above)
98	£0	£	the component council tax requirement for OPDC (being the amount by which the aggregate at (89) above exceeds the aggregate at (97) above calculated in accordance with section 85(6) of the GLA Act)

The Final Draft component council tax requirement for OPDC for 2018-19 (line 98 col 3) is: £0

Part 8: The Greater London Authority ("GLA") Final Draft Consolidated council tax requirement calculations

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

1	2	3	4
Line	Mayor's proposal	Budget amendment	Description
99	£865,678,414	£865,667,598	the GLA's consolidated council tax requirement (the sum of the amounts in lines (14) + (28) + (42) + (56) + (70) + (84) + (98) calculated in accordance with section 85(8) of the GLA Act)

**The Final Draft Consolidated council tax requirement for 2018-19 (line 99 col 3) is:
£865,667,598**