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# **The Mayor of London's Capital Spending Plan 2018-19**

February 2018

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## Background

- 1.1. The Mayor is required, under section 122 of the Greater London Authority (GLA) Act 1999 (the 'GLA Act'), each financial year to prepare a capital spending plan for each functional body of the GLA Group which for 2018-19 will be: the Mayor's Office for Policing and Crime (MOPAC); the London Fire Commissioner (LFC), Transport for London (TfL); the London Legacy Development Corporation (LLDC); and the Old Oak and Park Royal Development Corporation (OPDC). The OPDC's capital expenditure in 2018-19 is zero however it is included for completeness. The capital spending plans for the core Greater London Authority's expenditure are also included within this final plan so that the proposed capital expenditure for the entire GLA Group is presented in one place.
- 1.2. The statutory procedure under section 123 of the GLA Act requires the Mayor to send a copy of the draft plan to the London Assembly and each of the functional bodies before 15 January each year, inviting them to submit written comments to him within 21 days. The draft capital spending plan was included in section 9 of the Mayor's consultation document on his draft consolidated budget which was issued on 21 December 2017 and the statutory consultation requirement was met as part of that process. Before approving this final capital spending plan, the Mayor considers any comments submitted as part of the budget consultation process and makes such revisions as he sees fit, having had regard to the responses made.
- 1.3. An updated version of the capital spending plan for the GLA Group was included in the Mayor's final draft consolidated document presented to the London Assembly on 22 February. The final draft consolidated budget was approved without amendment by the Assembly.
- 1.4. The capital spending plan has to be sent to the Secretary of State (DCLG) before 28 February and copies sent to the Assembly and the functional bodies.

## Capital Spending Plan

- 1.5. The prescribed format of the capital spending plan and its contents are set out in section 122 of the GLA Act 1999, as amended by the Local Government Act 2003. The plan is to be in four sections, which the Act describes in some detail. The four parts can be categorised as follows:

**Section A** – a statement of the resources each functional body will have for capital expenditure by virtue of capital grants and capital receipts.

**Section B** – a statement of the resources each functional body will have for capital expenditure by virtue of borrowing.

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**Section C** – a statement for each functional body of total expenditure for capital purposes that the Mayor expects the body to incur and the total amounts which the Mayor expects to be treated as borrowing in the year because of section 8(2) of the Local Government Act 2003.

**Section D** – a breakdown of this total capital spending showing how much the Mayor expects the body to meet out of capital grants, its capital receipts, amounts to be met from borrowing and how much out of revenue.

1.6. Set out below is a summary of the key deliverables in the Mayor’s capital spending plan:

- continue to tackle London’s housing crisis, using the housing grant of £3.15 billion to support delivery starts of 90,000 affordable homes by 2021;
- fund new and refocussed projects to promote and enhance London’s economic strengths, further social integration and to improve London’s environment;
- deliver the transformation of policing’s IT infrastructure and estate;
- deliver a programme to replace the London Fire Brigade’s fleet including extended aerial appliances identified as required in the initial review post Grenfell and terrorist incidents;
- invest a record £2.2 billion in street schemes and initiatives designed to make walking, cycling and public transport safer, cleaner and more appealing; and
- create an arts and educational district on the Olympic Park site that brings together world class cultural and education institutions.

1.7. The table overleaf sets out the Mayor’s statutory capital spending plan for 2018-19 which totals £4.1 billion. This includes the spending plans for the GLA for completeness although they are not required to be included under section 122 of the GLA Act.

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**Table 1 – Final Statutory Capital Spending Plan 2018-19**

<b>Section</b>	<b>GLA</b>	<b>MOPAC</b>	<b>LFC</b>	<b>TfL</b>	<b>LLDC</b>	<b>OPDC</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Total external capital grants	487.0	61.7	0.0	1,182.2	0.8	0.0
Opening balance of capital receipts	3.6	222.2	3.5	0.0	0.0	0.0
Total capital receipts during the year	32.4	152.5	36.7	874.6	54.3	0.0
<b>A Total capital grants/ receipts</b>	<b>523.0</b>	<b>436.4</b>	<b>40.2</b>	<b>2,056.8</b>	<b>55.1</b>	<b>0.0</b>
Minimum s.120(1) grant	0.0	0.0	0.0	0.0	0.0	0.0
Total borrowings during the year	336.0	234.4	1.5	800.7	43.1	0.0
Total credit arrangements during the year	0.0	0.0	0.0	0.0	0.0	0.0
<b>B Total borrowings and credit arrangements</b>	<b>336.0</b>	<b>234.4</b>	<b>1.5</b>	<b>800.7</b>	<b>43.1</b>	<b>0.0</b>
Total capital expenditure anticipated during the year	858.9	670.8	41.7	2,467.5	98.2	0.0
Total amounts which may be treated as borrowing in the year because of section 8(2) of the Local Government Act 2003	0.0	0.0	0.0	0.0	0.0	0.0
<b>C Total capital spending for the year</b>	<b>858.9</b>	<b>670.8</b>	<b>41.7</b>	<b>2,467.5</b>	<b>98.2</b>	<b>0.0</b>
Funding: capital grants	487.0	56.3	0.0	1,255.8	0.8	0.0
Funding: capital receipts/reserves	35.8	374.7	34.3	874.6	54.3	0.0
Funding: borrowings and credit arrangements	336.0	179.4	5.9	800.7	43.1	0.0
Funding: revenue contributions	0.0	60.4	0.0	-463.6	0.0	0.0
<b>D Total funding</b>	<b>858.9</b>	<b>670.8</b>	<b>41.7</b>	<b>2,467.5</b>	<b>98.2</b>	<b>0.0</b>

N.B. Estimates of capital receipts are those made by functional bodies

- 1.8. Although the statutory capital spending plan has to be approved by the Mayor, each body is responsible for preparing and approving its own detailed capital spending programme. The following sections provide a breakdown of the five functional bodies' proposed programmes along with those of the core GLA.
- 1.9. Set out overleaf is a summary of the Mayor's Capital Plan to 2020-21 and how this is financed. Overall the GLA Group will be investing around £714.0 million less in 2018-19 than in 2017-18. The majority of this change reflects the tailing off of Crossrail construction costs offset by further investment in the Met's transformation programme.

- 1.10. The programme for 2018-19 is £4,137.1 million which declines to £3,602.4 million in 2019-20 as a result of the tailing off of expenditure on Crossrail. The programme for 2020-21 and 2021-22 is broadly the same in total as in 2019-20.

**Table 2 – Summary of Capital Spending Plans from 2017-18 to 2021-22**

Summary of the capital plan 2016-17 to 2020-21	2017-18	2018-19	2019-20	2020-21	2021-22	5 year
	Forecast	Plan	Plan	Plan	Plan	total
	£m	£m	£m	£m	£m	£m
GLA	961.3	858.9	1,020.3	1,276.8	1,453.4	5,570.7
MOPAC	231.0	670.8	408.0	270.6	140.6	1,721.0
LFC	18.0	41.7	41.2	22.5	21.4	144.8
TfL	3,544.4	2,467.5	2,041.3	1,860.1	1,862.4	11,775.7
LLDC	96.4	98.2	91.6	170.1	185.0	641.3
OPDC	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total capital expenditure</b>	<b>4,851.1</b>	<b>4,137.1</b>	<b>3,602.4</b>	<b>3,600.1</b>	<b>3,662.8</b>	<b>19,853.5</b>

- 1.11. The Mayor will also approve the borrowing limits and prudential indicators for 2018-19 for each functional body as part of a separate Mayoral Decision in March 2018. The limits and indicators agreed will have regard to the capital spending plans set out in this document.
- 1.12. Please note that some of the tables in this capital spending plan may not sum exactly due to rounding.

## Mayor's Office for Policing and Crime

- 2.1 The Mayor's Office for Policing and Crime (MOPAC) works on behalf of Londoners to hold the Metropolitan Police Service (MPS) to account and improve the provision of criminal justice services across the capital.
- 2.2 MOPAC's capital programme of £670.8 million in 2018-19 is critical to the modernisation of policing's IT infrastructure and estate, both of which will deliver revenue savings in years to come. The Capital Programme includes funding for the maintenance and refurbishment of key buildings, delivery of the custody centre programme, technology projects in support of frontline policing, infrastructure modernisation and the vehicle replacement programme. Table 3 summarises the proposed capital programme and how it will be financed.

**Table 3 – MOPAC Capital Expenditure Plan**

MOPAC capital expenditure plan	Forecast	Budget	Plan	Plan	Plan
	Outturn				
	2017-18	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m	£m
Property Forward Works	14.2	8.8	9.8	7.5	10.0
IT core infrastructure and replacement	40.4	31.6	27.7	25.7	25.7
Fleet	24.3	38.7	26.3	22.0	23.3
National Counter Terrorism Policing Headquarters	24.2	33.7	25.8	21.0	25.0
Improving Public Access and first contact	1.3	0.0	0.0	0.0	0.0
Optimising Response	13.5	12.4	18.1	33.4	10.5
Strengthening Local Policing	2.0	2.0	1.0	0.3	0.0
Transforming Investigation and Prosecution	30.2	45.1	41.8	40.0	0.0
Strengthening Armed Policing	2.5	2.8	2.5	0.0	0.0
Smarter Working	46.7	20.5	3.6	1.2	0.0
Workforce Futures	0.0	0.0	1.0	1.0	1.0
Information Futures	0.0	5.0	0.0	0.0	0.0
Transforming the MPS Estate	48.1	489.2	242.2	110.3	26.1
<b>Subtotal</b>	<b>247.4</b>	<b>689.8</b>	<b>399.8</b>	<b>262.4</b>	<b>121.6</b>
Over-programming/headroom	-16.4	-19.0	8.2	8.2	19.0
<b>Total Programme Cost</b>	<b>231.0</b>	<b>670.8</b>	<b>408.0</b>	<b>270.6</b>	<b>140.6</b>
<i>Funding</i>					
Capital Receipts	178.9	374.7	101.5	66.3	102.5
Capital grants and other contributions	51.1	56.3	47.4	41.1	37.2
Borrowing	0.0	179.4	259.1	163.2	0.9
Revenue Contributions	1.0	60.4	0.0	0.0	0.0
<b>Total funding gross of over-programming</b>	<b>231.0</b>	<b>670.8</b>	<b>408.0</b>	<b>270.6</b>	<b>140.6</b>



2.3 The financing costs in the revenue budget are set out in the table below.

**Table 4 – MOPAC Capital Financing Costs**

<b>MOPAC Capital financing costs</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Minimum revenue provision for debt repayment	21.8	28.9	39.8	46.9
External interest	20.4	25.0	29.5	33.4
Revenue Contributions	55.0	0.0	0.0	0.0
<b>Total</b>	<b>97.2</b>	<b>53.9</b>	<b>69.3</b>	<b>80.3</b>

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## London Fire Commissioner

- 3.1 The London Fire and Emergency Planning Authority (LFEPA) is currently responsible for fire and rescue services in London and it supports the London boroughs in their emergency planning role. Provisions in the Policing and Crime Act 2017, which will come into effect on 1 April 2018, abolish LFEPA and establish a new corporate body and office known as the London Fire Commissioner (LFC).
- 3.2 The Mayor proposes that LFC's capital plan should increase by £23.7 million from the current spend forecast of £18.0 million in 2017-18 to £41.7 million in 2018-19. The capital plan for 2019-20 is £41.2 million; reducing to £22.5 million in 2020-21 and decreasing further to £21.4 million in 2021-22.
- 3.3 The main elements of LFC's capital plan for the next two years of £82.9 million are:
- programmed replacement of the brigade's fleet of £39 million;
  - investment into LFC's estate, including energy efficiency works, of £19.9 million;
  - a new training centre for the delivery of high rise training of £15.5 million;
  - a new distribution centre and protected equipment facility of £3.5 million; and
  - other investment of £5 million in a range of operational improvements, including security and Information and Communications Technology projects and actions following the Grenfell Tower fire.
- 3.4 Table 5 overleaf summarises the current proposed capital programme and spending plans against likely funding sources including affordable borrowing levels.
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**Table 5 - LFC Capital Expenditure Plan**

LFC capital expenditure plan	Forecast	Budget	Plan	Plan	Plan
	Outturn	2018-19	2019-20	2020-21	2021-22
	2017-18	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m	£m
<i>Expenditure</i>					
IT projects	1.4	3.5	0.5	2.4	2.0
Refurbishment of fire stations	1.6	0.4	2.2	2.1	6.3
New/Replacement fire stations	0.0	1.5	4.4	0.1	0.0
Other property projects	1.2	12.9	11.0	1.8	1.2
Sustainability projects	3.3	2.4	2.4	2.4	1.2
Minor improvements programme	1.1	1.3	1.3	1.3	1.3
Fire Brigade fleet re-procurement	16.1	19.7	19.4	12.4	9.4
Over programming	-6.7	0.0	0.0	0.0	0.0
<b>Total expenditure</b>	<b>18.0</b>	<b>41.7</b>	<b>41.2</b>	<b>22.5</b>	<b>21.4</b>
<i>Funding</i>					
Capital receipts	17.6	34.3	20.8	0.0	0.0
Retained business rates	0.0	5.9	5.9	0.0	0.0
Borrowing and PFI leases	0.0	1.5	14.5	22.5	21.4
Capital grants	0.4	0.0	0.0	0.0	0.0
<b>Total funding</b>	<b>18.0</b>	<b>41.7</b>	<b>41.2</b>	<b>22.5</b>	<b>21.4</b>

3.5 The financing costs in the revenue budget relate to Minimum Revenue Provision (MRP) and payments on capital expenditure as shown in the table below.

**Table 6 – LFC Capital Financing Costs**

LFC Capital financing costs	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m
MRP and external interest	9.8	10.4	11.4	12.4
<b>Total</b>	<b>9.8</b>	<b>10.4</b>	<b>11.4</b>	<b>12.4</b>

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## Transport for London

- 4.1 Transport for London (TfL) is responsible for the planning, delivery and day-to-day operation of the capital's public transport system, including London's buses, Underground and Overground, the Docklands Light Railway (DLR), Tramlink and London River Services. It is also responsible for managing the Congestion Charge, maintaining London's main roads and traffic lights, regulating taxis, making London's transport more accessible and promoting walking and cycling initiatives.
- 4.2 The Mayor approved capital spend for TfL in 2018-19 is £2,467.5 million, including £459.9 million on delivering the Crossrail programme. Other key investment programmes in 2018-19 include:
- modernisation of Circle, District, Hammersmith and City and Metropolitan lines - £372 million;
  - Elizabeth line (trains and enabling works) - £318 million;
  - major station upgrades including Victoria, Tottenham Court Road, Bond Street and Bank - £111 million;
  - Northern Line Extension - £202 million;
  - Healthy Streets and Air Quality - £224 million;
  - White Hart Lane station - £13 million; and
  - Deep Tube upgrade programme (Piccadilly line) - £88 million.
- 4.3 In addition, TfL will:
- introduce step-free access at five more stations in 2018-19 and work will be under way at a further 13;
  - begin building the extension of the Gospel Oak to Barking line to Barking Riverside, a project that will support 10,800 homes on one of east London's largest new housing developments;
  - introduce the ULEZ in central London in April 2019 and - subject to consultation - then expanded to the North and South Circulars for all vehicles in 2021; and
  - keep the Crossrail construction programme on schedule and start services on the central section in December 2018. Negotiations continue with the Government over funding of Crossrail 2.
- 4.4 Details of TfL's capital plan to 2020-21, together with the financing costs of the programme, are set out in Table 7 below.
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4.5 TfL's capital spending is financed from six main sources:

- fares and ticket income;
  - charges under the Congestion Charging Scheme;
  - secondary revenue (such as advertising and property rentals);
  - third party funding for specific projects, such as the GLA's contributions (financed by a business rate supplement) for Crossrail;
  - retained business rates; and
  - prudential borrowing and related financing (including bond issuances)
-

**Table 7 - TfL Capital Expenditure Plan**

TfL Capital expenditure plan	Forecast	Budget	Plan	Plan	Plan
	Outturn				
	2017-18	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m	£m
London Underground	1,098.4	1,075.0	1,104.7	1,029.0	1,042.2
Elizabeth line	464.9	317.5	80.9	5.2	0.0
Buses	49.2	76.0	59.8	44.6	52.0
Streets	207.6	153.9	364.1	328.8	395.7
Rail	97.9	110.2	120.7	128.0	71.3
Other operations	124.8	173.0	104.7	210.6	173.9
Commercial Development	99.1	101.9	141.3	114.0	127.3
Crossrail construction	1,402.5	459.9	65.1	0.0	0.0
<b>Total capital expenditure</b>	<b>3,544.4</b>	<b>2,467.5</b>	<b>2,041.3</b>	<b>1,860.1</b>	<b>1,862.4</b>
Capital receipts/property sales	88.8	874.6	161.5	7.7	139.9
Retained business rates (former DfT investment grant)	960.0	976.0	993.0	1,010.0	1,030.2
Grants to support capital expenditure	210.6	212.6	216.4	13.1	12.3
Borrowing	621.1	800.7	499.9	600.9	501.2
Crossrail funding sources	208.1	312.2	53.2	144.0	41.8
Revenue contributions	-190.0	-463.6	-265.2	267.4	731.1
Working capital and reserves movements	1,645.8	-244.9	382.5	-183.0	-594.1
<b>Total funding</b>	<b>3,544.4</b>	<b>2,467.5</b>	<b>2,041.3</b>	<b>1,860.1</b>	<b>1,862.4</b>

Note: This table reflects the fact that from 2017-18 TfL's capital investment grant has been rolled into the business rates retention scheme. TfL's business plan combines the retained business rates and grants line in one single number.

## Rail and Underground

4.6 Capital projects directly managed by Rail and London Underground are shown in the tables below:

**Table 8 - Rail Capital Expenditure Plan**

Rail - capital expenditure plan	Forecast	Budget	Plan	Plan	Plan
	Outturn				
	2017-18	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m	£m
DLR rolling stock	5.9	12.1	49.0	56.8	39.2
London Overground	49.5	38.3	18.1	9.4	5.6
Trams	14.5	25.0	11.0	6.5	4.3
Barking Riverside extension	0.0	7.5	24.0	33.2	0.0
Other Rail	28.0	27.3	18.5	22.1	22.2
<b>Total expenditure</b>	<b>97.9</b>	<b>110.2</b>	<b>120.7</b>	<b>128.0</b>	<b>71.3</b>

**Table 9 – London Underground Capital Expenditure Plan**

London Underground – capital expenditure plan	Forecast	Budget	Plan	Plan	Plan
	Outturn				
	2017-18	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m	£m
Four Lines Modernisation	347.0	372.2	233.8	186.5	154.4
Deep Tube upgrade programme	17.8	87.7	117.2	178.4	320.5
Northern line Extension	197.4	202.4	252.8	130.6	9.5
Major station upgrades	163.5	110.8	87.0	74.6	31.8
Future major stations	15.0	9.5	14.2	41.8	65.7
World Class Capacity	29.3	16.6	23.9	27.1	24.5
LU Other	49.0	16.8	48.6	86.1	88.7
LU renewals	279.4	259.0	327.2	304.0	347.1
<b>Total expenditure</b>	<b>1,098.4</b>	<b>1,075.0</b>	<b>1,104.7</b>	<b>1,029.0</b>	<b>1,042.2</b>

## Surface Transport

4.7 Capital projects directly managed by Surface Transport are shown in the table below:

**Table 10 – Surface Transport Capital Expenditure Plan**

Surface – capital expenditure plan	Forecast	Budget	Plan	Plan	Plan
	Outturn				
	2017-18	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m	£m
Buses	49.2	76.0	59.8	44.6	52.0
Streets	207.6	153.9	364.1	328.8	395.7
Other Surface	58.9	84.6	38.3	85.8	38.4
<b>Total expenditure</b>	<b>315.7</b>	<b>314.6</b>	<b>462.3</b>	<b>459.2</b>	<b>486.1</b>

### Corporate Directorates

4.8 Capital projects directly managed by Corporate Directorates within TfL are shown in the table below, net and gross of Crossrail.

**Table 11 - TfL Corporate Directorates**

TfL Corporate Directorates – capital expenditure plan	Forecast	Budget	Plan	Plan	Plan
	Outturn				
	2017-18	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m	£m
Customer Experience	64.1	54.8	45.3	41.3	30.6
Commercial Development projects	99.1	101.9	141.3	114.0	127.3
Other Corporate investment	1.8	33.6	20.9	83.5	104.9
<b>Corporate expenditure excluding Crossrail</b>	<b>165.0</b>	<b>190.3</b>	<b>207.6</b>	<b>238.8</b>	<b>262.8</b>
Crossrail construction	1,402.5	459.9	65.1	0.0	0.0
Elizabeth line rolling stock & depots	464.9	317.5	80.9	5.2	0.0
<b>Corporate expenditure including Crossrail</b>	<b>2,032.4</b>	<b>967.7</b>	<b>353.6</b>	<b>244.0</b>	<b>262.8</b>

### TfL Capital Financing

4.9 The financing costs in the revenue budget in respect of capital expenditure are shown in the table below.

**Table 12 - Capital Financing Costs of TfL's Capital Plan**

TfL Capital financing costs	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m
Minimum revenue provision	18.7	18.7	18.7	18.7
External interest	484.8	511.8	546.1	578.6
<b>Total</b>	<b>503.5</b>	<b>530.5</b>	<b>564.8</b>	<b>597.3</b>



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## London Legacy Development Corporation

- 5.1 The London Legacy Development Corporation ('the Legacy Corporation') is responsible for promoting and delivering physical, social, economic and environmental regeneration in the Queen Elizabeth Olympic Park and surrounding area. In particular, the Legacy Corporation aims to maximise the legacy of the Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of increased social mobility in surrounding communities.
- 5.2 Since the London 2012 Olympic and Paralympic Games, the Legacy Corporation has been working to transform the Park and venues from their Olympic to their legacy configuration. The Copper Box Arena, Timber Lodge, Aquatics Centre, ArcelorMittal Orbit and the re-modelled Park opened in 2014. Residents began moving into the first phase of the Chobham Manor residential development in 2015-16. The Stadium opened permanently in summer 2016 as a new home for West Ham United, and as a host to UK Athletics and an events location (following a successful temporary re-opening for a series of events in summer 2015, including Rugby World Cup matches). A slide was added to the ArcelorMittal Orbit which opened in June 2016.
- 5.3 The priorities of the LLDC's capital plan are:
- the Cultural and Education District (CED) to further the Mayor's cultural agenda and the regeneration of Queen Elizabeth Olympic Park (QEOP) and the surrounding areas;
  - support for the restructure and operating costs for the running of the Stadium through E20;
  - infrastructure costs to assist in the development of the area; and
  - investment in the delivery of developments to generate receipts in order to repay borrowings.
- 5.4 The Mayor's proposed capital spending plan for the LLDC is £98.2 million in 2018-19. This represents an increase over the forecast for 2017-18 of £1.8 million. The main elements are:
- costs to progress the buildings on the Stratford Waterfront part of the CED;
  - working capital and restructuring costs to support Stadium operations;
  - infrastructure costs for the East Wick and Sweetwater development;
  - infrastructure costs for the Pudding Mill Lane development;
  - site wide infrastructure costs;
  - 3 Mills river walls works;
  - LEP repayment; and
  - lifecycle costs on the Park.
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### **Cultural and Education District (CED)**

- 5.5 The Cultural and Education District brings together the world class cultural and education institutions of Sadler's Wells, University of Arts London's (UAL) London College of Fashion, University College London (UCL) and the Victoria and Albert Museum (V&A) on the Park to create an arts and education quarter that will bring 2,500 jobs in the area and attract 1.5 million visitors a year. The £1.1 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.
- 5.6 In early 2017 the Stratford Waterfront element of the Cultural and Education District project was significantly revised due to planning issues relating to the height of the proposed residential development. This revision to the project resulted in the design process being recommenced, causing a 12-month delay to the programme. The redesign has lower residential units and has re-organised the positioning of the buildings on the Stratford Waterfront.
- 5.7 The residential development on Stratford Waterfront is expected now to deliver 500+ new homes for private sale across four buildings. It is now anticipated that the site be developed by a joint venture between the GLA and a private sector delivery partner. The overview and management structure for the joint venture has yet to be decided between the GLA and LLDC.
- 5.8 Following negotiations during 2017-18, it is now proposed that UCL will deliver all elements of the UCL East campus. The GLA will provide a £100 million Government grant to UCL to facilitate the Marshgate Academic Facility as part of the CED project. Other than this grant, UCL will now fund all elements of UCL East. UCL have also taken over various delivery roles from LLDC. As a result, the amount of cost incurred directly by LLDC and subsequently recharged to UCL has reduced significantly.

### **Stadium**

- 5.9 The proposed expenditure and funding for the Stadium operations, lifecycle and restructuring reflect the change to 100 per cent LLDC ownership of E20 and its commercial performance has not met the forecasts made before the Stadium re-opened. A number of workstreams are in train to reduce costs and increase income in order to minimise the public subsidy required, however their success is not assumed in this Plan.
- the Cultural and Education District (CED) to further the Mayor's culture agenda and the regeneration of Queen Elizabeth Olympic Park (QEOP) and the surrounding areas;
  - infrastructure costs to assist in the development of the area and delivery of development receipts in order to repay borrowings; and
  - other projects, such as Hackney Wick station improvements which support the regeneration of the area as well as delivery of receipts.
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5.10 The Mayor's proposed capital spending plan for the LLDC is £108.5 million in 2018-19. This represents a reduction of £0.6 million compared to the 2016-17 forecast. The main elements are:

- infrastructure costs for the East Wick and Sweetwater development;
- infrastructure costs for Pudding Mill Lane and Rick Roberts Way developments in anticipation of accelerated delivery to deliver against the Mayor's housing strategy;
- Hackney Wick Station improvements;
- further development of the Cultural and Education District programme;
- 3 Mills river wall works; and
- working capital for E20 Stadium LLP.

5.11 The LLDC's Capital Plan to 2021-22, is set out in Table 13. The Mayor proposes that capital support to LLDC should be provided as loan funding and grants to bridge the funding gap between the cost of the infrastructure required to enable the development of the Queen Elizabeth Olympic Park (including the CED and Stadium costs) and the future receipts from land sales, contributions from a variety of sources to fund the CED (including contributions from partners and philanthropic funding), which will enable the LLDC to repay its borrowings. The total support from loan and grant funding is estimated to be: £43.1 million in 2018-19; £27.3 million in 2019-20; £58.3 million in 2020-21; and £65.3 million in 2021-22.

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**Table 13 – LLDC Capital Expenditure Plan**

LLDC capital expenditure plan	Forecast	Budget	Plan	Plan	Plan
	Outturn				
	2017-18	2018-19	2019-20	2020-21	2021-22
	£m	£m	£m	£m	£m
<i>Expenditure</i>					
Park Operations and Venues	31.8	30.3	27.4	30.0	31.3
Real Estate and Development	41.7	35.1	19.1	25.4	8.6
Regeneration	1.5	0.2	0.2	0.2	0.2
Cultural and Educational District (CED)	14.2	24.9	42.4	112.1	142.9
Corporate	1.4	1.6	1.5	1.1	1.1
Irrecoverable VAT & contingency	5.8	6.1	1.0	1.3	0.9
<b>Total expenditure</b>	<b>96.4</b>	<b>98.2</b>	<b>91.6</b>	<b>170.1</b>	<b>185.0</b>
<i>Funding</i>					
Borrowing	49.4	43.1	27.3	54.3	0.0
Funded by GLA: Provision for repayment of debt / other grant payments	0.0	0.0	0.0	4.0	65.3
Capital receipts: CED	0.4	53.9	49.8	76.3	49.9
Capital receipts: Other	34.0	0.5	14.0	35.0	69.3
Other grants and funding	12.6	0.8	0.5	0.5	0.5
<b>Total funding</b>	<b>96.4</b>	<b>98.2</b>	<b>91.6</b>	<b>170.1</b>	<b>185.0</b>

5.12 LLDC's planned capital financing costs are held by the GLA.

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## Old Oak and Park Royal Development Corporation

- 6.1 The Mayoral Development Corporation (MDC) for the Old Oak Common and Park Royal area came into operation on 1 April 2015. The new High Speed 2 (HS2), Crossrail and Great Western 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.
- 6.2 Arrangements for the OPDC's capital spending plan will need to be considered in the future; however, at this stage the Mayor's proposed capital spending plan for the OPDC in 2018-19 is zero.
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## Greater London Authority

- 7.1 The GLA is a strategic authority with a London-wide role to design a better future for the capital. The Mayor of London sets a citywide vision of improvement, develops strategies, policies and investment programmes to realise the vision and provides funding and encouragement to help make it a reality. The London Assembly holds the Mayor to account by examining his decisions and actions to ensure he delivers on his promises to Londoners.
- 7.2 The key elements of the GLA's 2018-19 capital plan are as follows:
- The £221.8 million Affordable Housing Programme. Housing providers were given approval for bids in July 2017 and the funding will support delivery of schemes that will contribute towards the Mayor's Affordable Housing target to start on site 90,000 affordable homes by the end of March 2021. In addition, the plan includes £178.6 million for Housing Zone loans and grants to support delivery of housing in key areas across London;
  - the £191.0 million Northern Line Extension programme to Battersea where the works are being carried out by TfL but funded by the GLA borrowing that is financed by developer contributions and ringfenced business rates income from the Vauxhall, Nine Elms and Battersea enterprise zone; and
  - the other major items in the plan include £46.6 million for the LLDC, £48.9 million for Further Education, £31.6 million for the Barking Riverside Joint Venture and £44.37 million for the Good Growth Fund, Skills for Londoners and the Growing Places Fund.
- 7.3 The GLA has established a Homes for Londoners Land Fund to buy and prepare land for new and affordable housing. As the funding source for the initial £250 million cash injection is housing and land receipts, financed in the short-term from the GLA's working capital, this Fund is not shown in the GLA's Capital Programme. The projected cashflow for the fund is £60 million in 2017-18, £140 million in 2018-19 and £50 million in 2019-20.
- 7.4 The table overleaf summarises the GLA's capital spending plan from 2018-19 to 2021-22.
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**Table 14 - GLA Capital Spending Plan**

GLA capital expenditure plan	Forecast Outturn	Budget	Plan	Plan	Plan
	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m
London Regeneration Fund	7.0	7.9	0.0	0.0	0.0
Growing Places Fund	32.0	12.6	1.1	0.6	0.0
Further Education Capital Programme (Growth Deal 1 & 2)	10.1	48.9	22.4	8.5	0.0
Skills for Londoners Capital Fund (Growth Deal 3)	1.0	19.3	48.5	29.7	9.7
Good Growth Fund	0.0	12.4	25.9	23.6	0.0
Small Sites	0.0	2.4	4.1	5.2	0.0
Mayor's Regeneration Fund	3.9	4.2	1.5	0.0	0.0
Affordable Housing Programme (AHP)	562.6	221.8	413.0	749.6	1,240.6
Care and Support	9.3	24.0	16.6	6.1	0.0
Homelessness Change and Platform for Life	3.0	9.5	5.8	0.0	0.0
London Housing Bank	0.2	45.3	58.0	75.7	0.0
Housing Zones (Loans)	44.8	99.7	27.3	0.0	0.0
Housing Zones (AHP Grants)	59.1	78.9	105.7	95.9	0.0
Northern Line Extension	175.0	191.0	199.0	96.0	7.0
Loan to London Legacy Development Corporation	45.9	43.1	27.3	54.3	0.0
UCL Cultural & Education District (MHCLG)	0.0	0.0	15.0	55.0	30.0
LLDC General & CED Capital Funding	0.0	3.5	2.1	49.8	143.8
Barking Riverside – Joint Venture	0.0	6.8	22.7	15.1	0.0
LLDC Joint Venture transfer to GLAP	0.0	1.2	7.4	6.8	22.3
Other Projects < £10m	7.4	26.4	16.9	4.9	0.0
<b>Total expenditure</b>	<b>961.3</b>	<b>858.9</b>	<b>1,020.3</b>	<b>1,276.8</b>	<b>1,453.4</b>
Northern Line Extension -GLA Borrowing and Developers' Contributions	175.0	191.0	199.0	96.0	7.0
Care and Support/Homelessness (DH)	12.3	33.5	22.3	6.1	0.0
Affordable Housing (MHCLG)	621.7	302.3	520.8	845.8	1,240.6
Housing Zones Loans (MHCLG)	45.0	145.0	85.3	75.7	0.0
UCL Cultural & Education District (MHCLG)	0.0	0.0	15.0	55.0	30.0
Further Education Capital (BEIS)	10.1	48.9	22.4	8.5	0.0
Growth Deal Funding (BEIS)	40.1	59.5	79.6	59.1	9.7
Royal Docks - Enterprise Zone	0.4	0.4	0.0	0.0	0.0
LLDC - Temporary use of GLA cash balance	45.9	43.1	27.3	54.3	0.0
Capital Revenue Reserve	2.0	7.3	6.3	3.4	0.0
GLA Reserves	8.0	19.9	5.7	51.0	143.8
Financing of GLAP	0.8	8.0	36.6	21.9	22.3
<b>Total funding</b>	<b>961.3</b>	<b>858.9</b>	<b>1,020.3</b>	<b>1,276.8</b>	<b>1,453.4</b>

7.2 The GLA's financing costs excluding Crossrail and Northern Line extension debt which have ring fenced financing streams are set out below.

**Table 15 – GLA Capital financing costs**

<b>GLA Capital financing costs</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Provision for repayment of debt	14.9	12.8	11.8	11.8
External interest	6.5	6.1	6.1	5.7
<b>Total</b>	<b>21.4</b>	<b>18.9</b>	<b>17.9</b>	<b>17.5</b>



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