
Mayor's Background Statement in support of his Draft Consolidated Budget for 2019-20

PART 1

Summary

This report presents the Mayor's Draft Budget proposals for the Greater London Authority (GLA) and its functional bodies for the next financial year.

1 Introduction

- 1.1 Part 1 of the Mayor's Draft Consolidated Budget sets out his consideration of initial responses to his consultation budget 2019-20. Further responses received, including the response from the Assembly's Budget and Performance Committee, will be taken into account in the final Draft Consolidated Budget, published in February. Part 1 also sets out the Mayor's approach to budget decision making, his decisions in regard to council tax and his budget proposals for each of the functional bodies.

2 Consultation Process and Responses

- 2.1 In addition to consulting the Assembly and the functional bodies, in preparing his draft budget the Mayor may consult others as appear to him appropriate. The Mayor issued draft component budget proposals to each functional body for consultation and they were invited to respond. The budget consultation paper, issued on 20 December 2018, has been widely circulated to each functional body, the leaders (or elected mayors) and chief finance officers of London borough councils and the Common Council of the City of London, London Councils and a range of business representative organisations and business improvement districts. It was also placed on the Greater London Authority website, enabling members of the public to make their comments. A summary of initial responses received are being made available to Assembly Members concurrently with this Budget. A separate budget engagement process is also being undertaken through Talk London.

3 The Mayor's Approach to Decision Making

- 3.1 The Mayor has a number of statutory functions that must be fulfilled on behalf of Londoners and reflected in a financially balanced budget. These include major responsibilities in respect of policing, transport, fire and emergency planning, economic regeneration, housing, planning, air quality, waste, culture and sport, health, sustainable development, energy, climate change, the environment and area regeneration.
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- 3.2 The Mayor also has a number of discretionary functions, in particular a general power to do anything to further the principal purposes of the Authority, i.e. promoting economic development and wealth creation, social development and the improvement of the environment in Greater London. In the exercise of his functions the Mayor also has to have due regard to his obligations under the public sector equality duty under the Equality Act 2010, including the need to eliminate discrimination, harassment and victimisation, and to promote equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, sex, disability, age, sexual orientation, religion or belief, gender reassignment, pregnancy or maternity), and those who do not.
- 3.3 To help fulfil these functions and responsibilities, but subject to the information available on future Government finance settlements, the budget development process is a key element of the planning framework and has an important purpose of ensuring there are sound medium term financial plans within which all Mayoral priorities and objectives are adequately funded, while recognising areas of risk and uncertainty will inevitably exist. This means ensuring that the estimates of income and expenditure (including appropriate consideration of the effects of inflation), Government funding, retained business rates and council tax are soundly based, with appropriate and sufficient reserves, paying due regard to professional and statutory guidance. This is reinforced by the Local Government Act 2003 which requires the Authority's Chief Finance Officer to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves.
- 3.4 A primary aim of the budget process is to provide a financially balanced budget, as a basis for an efficient and effective use of available resources. The aim is to secure a fair and reasonable balance between the discharge of obligatory and discretionary responsibilities for the provision of services and the financial burden upon those required to finance the net cost.
- 3.5 This approach was reflected in the Mayor's guidance for the preparation of budget submissions for 2019-20 and future plans which was issued to the GLA Group in June 2018. It has also been supplemented through a series of meetings with the functional bodies and GLA officers to ensure the guidance remains valid and responsive to emerging needs and changing circumstances. The functional bodies and the Assembly's Budget and Performance Committee have also played a major role in the preparation and scrutiny of budget proposals.

4 Budget proposals

- 4.1 Revenue budget proposals and funding for each constituent body within the GLA Group is presented in organisational terms in Sections 2 to 8 of Part 2. The GLA's proposals are shown first and the remainder are presented in order of magnitude of their council tax requirement. Section 9 of Part 2 sets out the proposed Capital Strategy for the GLA Group, including the statutory draft capital spending plan. The individual capital spending plans, capital financing budgets and borrowing limits as well as the revenue budgets at subjective level are set out in Appendices A to F of Part 2. Appendix G of Part 2 provides a summary of the Group's savings and collaboration activities, Appendices H and I of Part 2 addresses the medium term financial outlook for the GLA Group and funding assumptions underpinning the budget proposals.
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Mayor of London

- 4.2 The Mayoral component budget for the GLA for 2019-20 builds on this Mayor's first two budgets which have seen significant delivery against his key priorities and policies.
- 4.3 The Mayor's priority remains turning around London's housing crisis. He is on track to exceed the target of starting 14,000 affordable homes this financial year. This will set a new record for affordable housing delivery, breaking the record he broke last financial year. The Mayor will continue to tackle London's housing crisis by supporting thousands of new homes for social rent as part of his commitment to start at least 116,000 new genuinely affordable homes by 2022.
- 4.4 The Mayor is doing everything in his power to address the climate emergency and clean up London's dangerously polluted air. This includes his Energy for Londoners programme which will help Londoners and businesses install more solar panels, provide fairer energy services and energy efficiency programmes, and power GLA facilities from clean local sources. The Mayor's budget includes a new £23 million scrappage scheme to help smaller business owners scrap older, more polluting vans and switch to cleaner vehicles.
- 4.5 The Mayor's budget also includes a £1.4 billion contribution to ensuring that Crossrail can be completed. This is to be funded from the Business Rates Supplement (BRS) and the Mayoral Community Infrastructure Levy (MCIL). At this stage, the Budget does not include the £311 million Adult Education Budget, previously controlled and allocated by central government. However, by the end of January, the Government is expected to confirm the arrangements for the transfer of this funding to the Mayor from August 2019. The impact of this funding is expected to be included within the final Draft Consolidated Budget.
- 4.6 Returns from billing authorities, due at the end of January 2019, will enable the Mayor to determine the size of any council tax collection fund surplus, the final council tax requirements and, also, whether any further business rate income may be spent, given the uncertainties associated with the business rate appeals process.

London Assembly

- 4.7 The component budget for the Assembly reflects its current staffing establishment, approved levels of Member and group support and approved policies. The Assembly's net expenditure and financing requirement is £7.8 million in 2019-20 – the same as in 2018-19 after allowing for the use of £0.2 million of reserves. The Assembly's council tax requirement – net of its increased share of retained business rates – also remains unchanged at £2.6 million.

Mayor's Office for Policing and Crime (MOPAC)

- 4.8 The component budget for the Mayor's Office for Policing and Crime includes the functions of the Metropolitan Police Service (MPS).
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- 4.9 The Mayor's Police and Crime Plan – A Safer City for all Londoners 2017-21 - sets out his strategy for policing and crime reduction based on his ambition of making London a safer city for all, no matter who you are or where you live. The key priorities of the Plan are:
- a better police service in London;
 - a better criminal justice service for London;
 - keeping children and young people safe;
 - tackling violence against women and girls; and
 - standing together against hatred, extremism and intolerance.
- 4.10 The Mayor continues to call upon the Government to ensure that MOPAC has the funding needed to keep London safe. On 13 December 2018 the Minister for Policing announced the provisional police grant allocations for 2019-20. For MOPAC, the Home Office announced an additional £33 million in Police Grant and increase of £11.7 million in the National and International Capital City (NICC) grant, compared to 2018-19. In addition, the Government will provide a grant of £45.5 million to the Metropolitan Police for police pensions outside of the settlement funding.
- 4.11 MOPAC has therefore provisionally been allocated general police grant of £1,927.1 million in 2019-20, comprising £867.9 million of core Police Grant, £754.2 million of formula grant (formerly paid by the Department for Communities and Local Government), £119.7 million in local council tax support grant and £185.4 million in NICC funding. The Policing Minister confirmed that the MPS would benefit from an increase in the counter-terrorism grant in 2019-20, receiving a share of the national increase in the grant of £59 million compared to 2018-19. The detailed elements of this grant for each individual police force are not made publicly available. Final specific grant allocations for policing for 2019-20 are expected to be confirmed by the Home Office in late January or early February.
- 4.12 Nevertheless, core funding for the MPS from the Home Office in 2019-20 on a like for like basis will be more than £500 million lower in cash terms than in 2010-11. This represents a 28 per cent cut in cash terms and nearly 40 per cent after allowing for inflation. MOPAC forecast that they will need to make savings of £263 million by 2022-23.
- 4.13 In order to try and mitigate the impact of the Government's grant reductions, the Mayor has reluctantly agreed to increase the police precept by the maximum allowed by the Government without triggering a council tax referendum. Accordingly, the Mayor will be allocating an additional £84.8 million in council tax income to MOPAC in 2019-20 compared to 2018-19. This means City Hall is paying a greater percentage of the overall police budget in the capital than ever before – up from 18 per cent in 2010 to 24 per cent today. This is a direct result of the Government's decision to pass the burden of funding local services increasingly on to hard-pressed council taxpayers rather than through more progressive national taxation. The Mayor will also continue to allocate £90.5 million of retained business rates to MOPAC.
- 4.14 Nevertheless, Government cuts have forced the MPS to reduce officer numbers in recent years and they are currently under 30,000. In last year's budget the Mayor made available additional funding to provide for an additional 1,000 officers than would otherwise be affordable. This budget adds a further 300 to that total and the Mayor expects the Met to be at 31,000 officers by the end of 2019-20.
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4.15 London's Violence Reduction Unit (VRU), announced in September 2018, has been established with an initial allocation of £0.5 million in 2018-19. The Mayor's budget proposes further new funding of £6.8 million in 2019-20. Proposals for the use of this funding will be considered by the Mayor in light of ongoing discussions with partners and the contribution they are able to make to the work of the Unit. Furthermore, £3.5 million will be allocated for victims' services and crime prevention activity by MOPAC. Together this amounts to £10.3 million additional funding to support 'on the ground' programme delivery in 2019-20, funded from £2.3 million in business rates and £8.0 million from the forecast 2018-19 council tax collection fund surplus.

London Fire Commissioner (LFC)

4.16 The London Safety Plan which was approved in March 2017 focusses on increasing terrorism response capabilities, expanding the role of firefighters and placing fire stations at the heart of the community.

4.17 The Government has cut the level of general grant funding provided to the GLA for fire and rescue services in London by nearly £50 million in cash terms since 2010-11. This represents a real-terms cut of nearly 30 per cent.

4.18 Given the ongoing impact of the Government's cuts and the additional resources required arising from the Grenfell Tower fire and terrorist incidents, the Mayor has again agreed to increase LFC's share of council tax in 2019-20 and commit to increasing it in future years.

4.19 Accordingly, the Mayor is proposing to increase the non-police precept by 2.99 per cent in 2019-20 – the maximum without triggering a council tax referendum. He is proposing to allocate all this extra council tax income to LFC but reallocate business rates equivalent to 1 per cent of the non-police precept to MOPAC. The impact of this is to increase LFC's share of discretionary Mayoral resources by £4.5 million in 2019-20.

4.20 Therefore, despite the Mayor starting to build up LFC's share of council tax, LFC are facing a budget shortfall of £14.6 million by 2022-23. This further underlines the need for the Mayor to begin to increase LFC's share of council tax. The Mayor will continue to press the Home Secretary to increase resources allocated to LFC.

Transport for London (TfL)

4.21 TfL exists to keep London working and growing and make life in London better. Transport is a key driver of economic growth, jobs, new housing and development. The Mayor believes it is right that TfL's budget should be used to unlock jobs and homes and meet the needs of a growing world city.

4.22 TfL faces some tough financial challenges, including adapting to the loss of an operating grant from central government, a subdued national economy which has affected passenger numbers, the delay to Crossrail and the absence of any funding from Government to maintain London's strategic roads network.

4.23 The Mayor's Budget for TfL will see:

- investment on average at £1.4 billion a year on transport projects over the next five years;
 - the completion of the signalling upgrade of the Circle, District, Hammersmith & City and Metropolitan lines, increasing capacity across those lines by 33 per cent;
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- a total of £2.3 billion invested in his Healthy Streets programme;
- fares frozen for a third year in a row, alongside the Hopper fare which has seen over 220 million journeys in its first two years; and
- the introduction of the new Ultra-Low Emission Zone.

4.24 The Mayor has taken some tough decisions to ensure that this ambitious programme can be delivered. This includes continuing TfL's transformation programme including further reductions in TfL's workforce, whilst maintaining safety as a first priority, and delaying some investment decisions until there is greater certainty over long-term funding arrangements. For example, the Mayor has not been able to include funding in TfL's five-year business plan for the proposed Camden Town station capacity upgrade.

4.25 Despite having to make such difficult decisions, the Mayor has ensured that TfL is now on a firm footing to deliver the vital transport improvement London needs. This can already be seen by TfL already exceeding the efficiency savings planned and now forecasting to come in well within this year's budget.

London Legacy Development Corporation (LLDC)

4.26 The London Legacy Development Corporation is driving the legacy of the London Olympic and Paralympic Games to transform the lives of east Londoners. Queen Elizabeth Olympic Park (QEOP) is at the heart of a dynamic new east London the Mayor is creating, where this once in a lifetime opportunity is generating opportunities for local people and driving innovation and growth across the city and the UK.

4.27 The creation of East Bank, an 'arts, cultural and educational district' on the QEOP site is central to the Mayor's vision. This will add 1.5 million visitors to the Olympic Park and surrounding area; more than 2,500 jobs, over 10,000 students coming to the Park, generate £1.5 billion for the local economy and create 600 new homes at Stratford Waterfront.

Old Oak and Park Royal Development Corporation (OPDC)

4.28 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 Mayor's Housing Infrastructure bid of £250 million will be key to unlocking the delivery of 10,000 homes and over 5,000 jobs in Old Oak North over the next 15 years.

Future Years

4.29 The Mayor has issued further details of the prospects for the GLA Group for future years (Appendices H and I of Part 2 the budget). It is important to recognise the caveats and limitations set out in this analysis.

5 The Impact on Local Taxpayers and Council Tax Referendum Issues

- 5.1 In deciding on the proposed spending plans across the GLA Group, where the gross capital and revenue expenditure for 2019-20 will exceed £18 billion for the first time, the key priorities have been to protect fare payers and to help ensure Londoner's safety by increasing the police precept to the level assumed by the Government when it determined the provisional police funding settlement for 2019-20.
- 5.2 The Mayor's budget requires a Band D council tax of £320.51 for 2019-20 in the 32 London boroughs - £26.28 per annum or 50p per week higher than in 2018-19. Of this increase, £24 will be applied for policing and £2.28 for non-police services with the entire sum allocated for fire services. The equivalent of one third of the £2.28 increase in non-police precept will be redirected to fund MOPAC through a £2.2 million reallocation of retained business rates income to the MOPAC component budget. The resulting non-police precept paid by council taxpayers in the area of the Common Council of the City of London will be £78.38. These Band D amounts are estimated to generate a total of £961.8 million in council tax revenues across London.
- 5.3 Details of the provisions for the holding of council tax referendums are set out in Part 3. The council tax referendum principles for 2019-20 are expected to be considered by the House of Commons for approval before the date of the Assembly's final budget meeting on 25 February 2019. The published draft excessiveness principles state that an increase of more than £26.28 in the GLA's relevant adjusted basic amount of council tax (i.e. the total precept payable in the 32 boroughs) and/or an increase of 3 per cent or more in the unadjusted basic amount (i.e. the non police precept payable by taxpayers in the City of London) are deemed excessive for the purposes of the council tax referenda principles proposed by the Government and would therefore require a referendum to be held. This position is not expected to change, and this Draft Budget has been prepared on that basis. The Mayor will make a formal determination regarding the excessiveness of his Final Draft Budget proposals in the report for that budget.

6 Recommendations Concerning the Draft Consolidated Council Tax Requirement

- 6.1 The Mayor is required to determine consolidated and component council tax requirements for 2019-20 and it is these that the Assembly has the power to amend. The individual Mayor, Assembly and functional body council tax requirements are aggregated to form the consolidated council tax requirement for the GLA Group. This requirement forms the GLA Group precept which is part of the Council Tax bill for households across Greater London collected by the 33 "billing authorities" (the 32 boroughs and City of London Corporation).
- 6.2 In considering the Mayor's budget proposals and any amendments they wish to make at this stage, Assembly Members must also consider the need to secure a financially balanced budget and achieve a balance between the statutory and discretionary responsibilities for the provision of services and the burden upon those required to finance the net cost.
- 6.3 In commending the budget proposals to the Assembly, the Mayor believes that Londoners recognise and support his plans to increase the police and non-police precepts to the maximum possible amounts without triggering a referendum to help maintain police officer numbers and begin to provide the fire service with the resources it needs, in order to protect Londoners.

- 6.4 The Mayor is satisfied that he has weighed respective interests fairly and that his increase in the council tax will help the front-line service delivery of his statutory and discretionary responsibilities. The Mayor believes that the proposals will make a significant contribution to improving Londoners' quality of life and supporting London's economy.
- 6.5 On the basis of the information set out in this statement and accompanying documents, it is recommended that the Assembly approves, without amendment, the Mayor's Draft Consolidated budget and the consolidated council tax requirement for the GLA and the functional bodies (GLA Group) of £961,825,730 as contained in Annex A.
- 6.6 The council tax requirement is after applying the GLA's share of the net surplus or deficit on the collection funds of the 33 billing authorities (assumed at this stage to be a £12.2 million surplus in respect of council tax) which is split between the component budget for the Mayor of London and MOPAC for the purpose of these statutory calculations under sections 85 to 88 of the GLA Act.
- 6.7 **The Mayor's draft consolidated council tax requirement is made up as follows:**

Constituent body	Component council tax requirement
Mayor of London	£67,688,804
London Assembly	£2,615,637
Mayor's Office for Policing and Crime	£726,177,892
London Fire Commissioner	£159,343,397
Transport for London	£6,000,000
London Legacy Development Corporation	£NIL
Old Oak and Park Royal Development Corporation	£NIL
Total Consolidated Council Tax Requirement	£961,825,730

Annex A

Draft consolidated component and consolidated council tax requirements 2019-20

Greater London Authority: Mayor of London (“Mayor”) draft component budget

Line	Sum	Description
1	£515,112,674	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
2	£1,000,000	estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act
3	£0	estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act
4	£1,000,000	estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the GLA Act reflecting the collection fund deficit for retained business rates
5	£517,112,674	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	-£242,300,000	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	-£127,923,870	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	-£4,200,000	estimate of the Mayor’s share of any net collection fund surplus for the 33 London billing authorities for council tax calculated in accordance with s85(5)(a) of the GLA Act
11	-£374,423,870	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	-£75,000,000	estimate of Mayor’s reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act
13	-£449,423,870	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	£67,688,804	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 draft component council tax requirement for the Mayor for 2019-20 is £67,688,804

Greater London Authority: London Assembly ("Assembly") draft component budget

Line	Sum	Description
15	£7,999,637	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	£7,999,637	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	-£5,184,000	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 collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
25	-£5,184,000	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	-£200,000	estimate of Assembly's reserves to be used in meeting amounts in lines 19 above under s85(5)(b) of the GLA Act
27	-£5,384,000	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	£2,615,637	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 draft component council tax requirement for the Assembly for 2019-20 is £2,615,637

Mayor's Office for Policing and Crime ("MOPAC") draft component budget

Line	Sum	Description
29	£3,546,945,372	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	£3,546,945,372	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	-£256,300,000	estimate of the MOPAC's income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
35	-£509,300,000	estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£1,927,122,480	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	-£90,485,000	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	-£8,000,000	estimate of MOPAC's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
39	-£2,791,207,480	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	-£29,560,000	estimate of MOPAC's reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act
41	-£2,820,767,480	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	£726,177,892	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 draft component council tax requirement for the MOPAC for 2019-20 is £726,177,892

London Fire Commissioner ("LFC") draft component budget

Line	Sum	Description
43	£449,648,472	estimated expenditure of LFC for the year calculated in accordance with s85(4)(a) of the GLA Act
44	£0	estimated allowance for contingencies for LFC under s85(4)(b) of the GLA Act
45	£0	estimated reserves to be raised for meeting future expenditure of LFC 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	£449,648,472	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFC (lines (43) + (44) + (45) + (46) above)
48	-£38,369,000	estimate of LFC'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	-£12,492,000	estimate of LFC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
50	£0	estimate of LFC's income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
51	-£231,912,075	estimate of LFC'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's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
53	-£282,773,075	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	-£7,532,000	estimate of LFC's reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act
55	-£290,305,075	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFC (lines (53) + (54) above)
56	£159,343,397	the component council tax requirement for LFC (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 draft component council tax requirement for LFC for 2019-20 is £159,343,397.

Transport for London (“TfL”) draft component budget

Line	Sum	Description
57	£7,392,700,000	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	£7,392,700,000	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	-£5,949,100,000	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	-£42,600,000	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 GLA Transport General Grant) calculated in accordance with s85(5)(a) of the GLA Act
65	-£1,395,000,000	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 collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
67	-£7,386,700,000	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	estimate of TfL’s reserves to be used in meeting amounts in line 61 above under s85(5) (b) of the GLA Act
69	-£7,386,700,000	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 draft component council tax requirement for TfL for 2019-20 is £6,000,000.

London Legacy Development Corporation (“LLDC”) draft component budget

Line	Sum	Description
71	£45,800,000	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	£45,800,000	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	-£25,116,000	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	-£20,684,000	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 collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
81	-£45,800,000	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	-£45,800,000	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 draft component council tax requirement for the LLDC for 2019-20 is £0 (£NIL).

Old Oak and Park Royal Development Corporation ("OPDC") draft component budget

Line	Sum	Description
85	£11,000,000	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	£11,000,000	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	-£1,500,000	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	-£9,500,000	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 collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
95	-£11,000,000	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	-£11,000,000	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 draft component council tax requirement for the OPDC for 2019-20 is £0 (£NIL).

Greater London Authority (“GLA”) final draft consolidated council tax requirement calculation incorporating the component council tax requirements for the Greater London Authority (Mayor), Greater London Authority (Assembly), 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).

Line	Sum	Description
99	£961,825,730	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 the GLA for 2019-20 is £961,825,730

Annex A**Aggregate GLA Group budget for 2019-20**

Estimated Expenditure

£	GLA Mayor	GLA Assembly	MOPAC	LFC	TfL	LLDC	OPDC	Total
Estimated expenditure	£515,112,674	£7,999,637	£3,546,945,372	£449,648,472	£7,392,700,000	£45,800,000	£11,000,000	£11,969,206,155
Estimated allowance for contingencies	£1,000,000	£0	£0	£0	£0	£0	£0	£1,000,000
Estimated reserves to be raised for meeting future expenditure	£0	£0	£0	£0	£0	£0	£0	£0
Estimate of reserves to meet a revenue account deficit including forecast collection fund deficit for retained business rates	£1,000,000	£0	£0	£0	£0	£0	£0	£1,000,000
Estimated total expenditure	£517,112,674	£7,999,637	£3,546,945,372	£449,648,472	£7,392,700,000	£45,800,000	£11,000,000	£11,971,206,155

Estimated Income and Calculation of Council Tax Requirement

£	GLA Mayor	GLA Assembly	MOPAC	LFC	TfL	LLDC	OPDC	Total
Estimate of non-government grant income	-£242,300,000	£0	-£256,300,000	-£38,369,000	-£5,949,100,000	-£25,116,000	-£1,500,000	-£6,512,685,000
Estimate of specific government grant income	£0	£0	-£509,300,000	-£12,492,000	-£42,600,000	£0	£0	-£564,392,000
Estimate of general government grant income	£0	£0	-£1,927,122,480	£0	£0	£0	£0	-£1,927,122,480
Estimate of Retained Business Rates income	-£127,923,870	-£5,184,000	-£90,485,000	-£231,912,075	-£1,395,000,000	-£20,684,000	-£9,500,000	-£1,880,688,945
Collection fund surplus for council tax	-£4,200,000	£0	-£8,000,000	£0	£0	£0	£0	-£12,200,000
Estimated total income before use of reserves	-£374,423,870	-£5,184,000	-£2,791,207,480	-£282,773,075	-£7,386,700,000	-£45,800,000	-£11,000,000	-£10,897,088,425
Estimate of reserves to be used	-£75,000,000	-£200,000	-£29,560,000	-£7,532,000	£0	£0	£0	-£112,292,000
Estimated total income after use of reserves	-£449,423,870	-£5,384,000	-£2,820,767,480	-£290,305,075	-£7,386,700,000	-£45,800,000	-£11,000,000	-£11,009,380,425
Council tax requirement	£67,688,804	£2,615,637	£726,177,892	£159,343,397	£6,000,000	£0.00	£0.00	£961,825,730
COUNCIL TAXBASE	3,006,479.18	3,006,479.18	2,999,123.99	3,006,479.18	3,006,479.18	3,006,479.18	3,006,479.18	
BAND D COUNCIL TAX £	£22.51	£0.87	£242.13	£53.00	£2.00	£0.00	£0.00	£320.51