

The Mayor's Budget Guidance for 2015-16

2 July 2014

Executive Summary of the Mayor's Budget Guidance for 2015-16

The Budget Guidance for 2015-16 reflects the requirement on the GLA Group to deliver the Mayor's policy priorities against a challenging and uncertain financial situation. In particular, this Guidance reflects the Mayor's 2020 Vision "The Greatest City on Earth", the report of the London Finance Commission "Raising the Capital" and the agreed Business Plans of members of the Group. Set out below is a summary of the key points in this guidance.

The Mayor's key policy priorities, which are to be reflected in future year's budgets, can be summarised, as follows:

- Deliver value for money across the Group to free up resources for services and cut the Council Tax precept by 10 per cent by the end of his second term;
- Promote jobs and growth through programmes and initiatives at the metropolitan and local level;
- Increase the supply of affordable homes, delivering 100,000 over two Mayoral terms and 45,000 in 2015-18;
- Boost regeneration and the quality of life of Londoners by driving up standards in London's schools, making London greener and cleaner and encourage volunteers to do something great for their city;
- Reduce key neighbourhood crimes by 20 per cent and boost public confidence in the police by 20 per cent, whilst cutting policing costs by 20 per cent;
- Make London a safer city by operating a world class fire and rescue service for Londoners and visitors;
- Reduce Tube delays by 30 per cent by 2015, decrease the number of people killed or seriously injured on our roads in London by 40 per cent by 2020, introduce a new 24 hour Tube service at weekends from 2015 and deliver Crossrail and the Northern Line Extension;
- Promote and deliver the regeneration of the Queen Elizabeth Olympic Park and surrounding area, maximising the legacy of the Olympic and Paralympic Games;
- Present London's case to Government and internationally as the world's destination for investment, tourism and talent; and
- Plan for London's future by putting in place policies and strategies to seize the opportunities and address the challenges, securing tomorrow's infrastructure.

There is great uncertainty about the level of funding the GLA Group will receive in future years. There is a high degree of volatility in rating appeals which affects the GLA's receipt of retained business rates. Even though indicative Government grant allocations for 2015-16 have been issued for all but one of the functional bodies, detailed figures across all the GLA Group will not be received until probably December 2014. No details on exact departmental allocations for 2016-17 and future years are likely to be announced until after the General Election in May 2015. Nevertheless, the Budget Guidance requires budget submissions from Functional Bodies for 2015-16 and 2016-17.

The Mayor's consolidated Budget for 2014-15 agreed in February 2014 set out indicative levels of funding from Government grants, retained business rates and Council Tax precept for each member of the GLA Group for 2015-16. These indicative allocations have been used as the basis for an estimate of the level of support that will be available for 2016-17. Accordingly, one overall figure for the general funding the Mayor intends to provide to each functional body from resources directly under his control is set out. Although it is assumed that there will be further reductions in Government funding for the fire service in 2015-16 and 2016-17, the funding figures for LFEPA includes additional support to offset this anticipated cut. These assumptions will be kept under review as the budget process proceeds and information becomes available.

The Mayor's manifesto commitment was to cut his share of the Council Tax precept by at least 10 per cent phased over his second term and to guarantee a cut every year. With the GLA's contribution of £625 million to the cost of the Olympic and Paralympic Games now secure, the Mayor is now able to announce that the £20 Band D Olympic precept will end in 2017-18. The Queen Elizabeth Olympic Park has now successfully re-opened; there are clearly defined and costed legacy plans in place for all eight permanent venues; and plans to accelerate the regeneration legacy are being developed. Accordingly, set out below is how the Mayor intends to deliver his Council Tax reduction strategy over the rest of his second term.

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Non-Olympic precept reduction (£)	-	-3.72	-4.00	-4.00	-7.00	-
Olympic precept reduction (£)	-	-	-	-	-12.00	-8.00
Band D Council Tax (£)	306.72	303.00	299.00	295.00	276.00	268.00
Cumulative change in precept compared to start of second term (%)	-	-1.2	-2.5	-3.8	-10.0	-12.6

If the Council Tax precept had increased by 2 per cent per annum over the Mayor's second term in line with the maximum permitted, the Band D level in 2016-17 would be £332 – some £56 or 20 per cent higher than the Mayor's plans.

The Mayor intends to set out his intentions for draft budget proposals in October 2014 to functional bodies. However, the Mayor specifically requests that all functional bodies prepare to make a financially balanced budget submission in accordance with this guidance by the end of November 2014. The GLA's budget for the Mayor and Assembly will be considered at the Budget and Performance Committee on 20 November 2014. These deadlines are critical to meet the statutory requirement for draft budget proposals to be issued for consultation in December 2014.

This Budget Guidance seeks to ensure that all members of the GLA Group, as far as is possible and practical, prepare their budgets consistently and within the same timescales.

In summary, this Budget Guidance will be challenging for the GLA Group to implement. However, despite uncertainty inherent in the GLA Group's funding position, plans are well advanced across the GLA to meet this challenge.

Boris Johnson
Mayor of London
2 July 2014

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1 Introduction

- 1.1 The GLA Budget ensures that there are sound financial plans to support Mayoral objectives and priorities within available resources. Set out below is the formal guidance to the members of the GLA Group for the 2015-16 Budget, with specific guidance for functional bodies. Separate more detailed guidance will be issued for the preparation of the component budgets for the Mayor and Assembly.
- 1.2 The 2015-16 budget process in summary requires members of the GLA Group to:
- prepare their 2015-16 budget submissions on the basis set out in this Guidance;
 - await preliminary draft budget proposals being issued by the Mayor for consultation with each of the functional bodies in mid-October 2014 and make a formal response to these proposals;
 - present the Mayor and Assembly component budgets to the Budget and Performance Committee on 20 November 2014;
 - make a full and final budget submission to the Mayor by the end of November with proposals that ensure their budget is within the funding envelope specified;
 - consider and respond to the publication of the Mayor's draft consolidated budget which is to be published in mid-December 2014; following which
 - from then and through to late-February 2015 the Assembly will consider the Mayor's budget proposals.
- 1.3 A more detailed Budget Timetable is attached as Appendix A.
- 1.4 In the light of progress against the current year's budget, emerging issues and significant developments, this Budget Guidance will need to be kept under review and the timetable may need to be revised.
- 1.5 The information sought from functional bodies in this Budget Guidance is requested in accordance with the provisions of sections 110 and 125 of the GLA Act 1999.

2 Strategic policy aims and objectives

- 2.1 The budget development process is designed to ensure that the Mayor's budget proposals are an accurate reflection of the Mayor's priority aims and objectives within available resources. These balance the Mayor's manifesto commitments with his statutory responsibilities and priorities arising from national and international events.
- 2.2 The Executive Summary to this Guidance sets out the Mayor's key policy priorities. Members of the GLA Group are required to reflect these priorities, where relevant, in their business plan and budget proposals. Functional bodies' attention is drawn to the Mayor's manifesto commitments and his published 2020 Vision.
- 2.3 However, the Mayor's requirement that members of the GLA Group make a budget submission within the overall funding envelope specified does set an important constraint on the level of growth that will be available to finance new policy priorities.

Therefore, functional bodies will be required to absorb growth proposals from within their overall resources.

3 Budget proposals

3.1 The key deadline for each functional body:

By 28 November 2014 in the light of preliminary draft budget proposals issued by the Mayor, to make a full budget submission as specified below and at Appendix B.

3.2 It is expected that a functional body's response by the end of November 2014 will be a public document and not be issued as private advice to the Mayor. It is important to emphasise that this submission will not conclude the GLA's budget process. However, it is expected that proposals submitted will be sufficient for each functional body to set a financially balanced budget for 2015-16 within the funding envelope specified and will include all the information required by this Guidance.

3.3 Regular officer meetings between the GLA and each functional body will be held to discuss the material to be submitted by the end of November 2014 and to advise of any subsequent developments and resolve any queries that might arise.

3.4 Before the full and final submission from functional bodies, the Mayor expects to draw up draft budget proposals by mid-October 2014. He will require comments on these proposals from functional bodies with their full budget submissions at the end of November 2014.

4 Budget and business plans

4.1 The business plans to be submitted by 28 November must:

Cover at least the period 2015-16 to 2016-17.

Set out what is planned to be achieved in high-level terms over that period.

Appendix B to this guidance provides further information on the financial information to be provided.

4.2 The above information and matters raised in the responses will be taken into account when the Mayor issues his budget proposals, which will be subject to wider consultation, on or around mid-December 2014.

4.3 Financial information in or accompanying the business plans needs to be consistent with the format used in the Mayor's published budget documents. In the interests of efficiency and the need to consolidate into a group format and aid budget consultation,

information must be presented in a similar format throughout the budget process. GLA officers will work with functional bodies to seek to minimise these burdens.

5 Financial planning guidelines

- 5.1 The Mayor firmly believes that value for the national and council taxpayer must drive the development of forward plans for the GLA Group. The Budget agreed in February 2014 set out assumed levels of Government grants and indicative shares of retained business rates and Council Tax precept for each functional body for 2015-16. Subject to any further guidance issued later in the year, budget plans should be prepared on the assumptions as set out below for the GLA and its functional bodies. On best assumptions it is likely that the 2013-14 deficit on retained business rates will not be cleared until 2016-17. Therefore, at this stage no commitments are made about the allocation of any volume growth on retained business rates.
- 5.2 The table below sets out the Mayor's provisional allocation of those revenues over which he has direct control and is free to allocate across the GLA Group to the Functional Bodies. The table also shows expenditure control totals for the GLA.

	Budgeted Funding from Funding Streams Directly Controlled and Allocated by the Mayor (Council Tax, Council Tax Freeze Grant, Retained Business Rates including associated section 31 grants and Revenue Support Grant)
GLA	£178.3m in 2014-15 (including £7.2m notionally for the London Assembly). £175.1m in 2015-16 (including £7.2m notionally for the London Assembly) £172.2m in 2016-17 (including £7.2m notionally for the London Assembly)
LFEPA	£389.0m* in 2014-15 £382.0m in 2015-16 £382.0m in 2016-17
MOPAC	£564.2m in 2014-15 £564.2m in 2015-16 £564.2m in 2016-17
TfL	£834.5m in 2014-15 £855.2m in 2015-16 £876.4m in 2016-17

*This figure includes one-off support of £7m to support the implementation of LSP5.

(NB. Figures for the GLA and LFEPA include Revenue Support Grant but figures for MOPAC and TfL exclude general Government grants paid to the Mayor for policing and transport).

GLA

- 5.3 The figures for the GLA show expenditure control totals for the Mayor and Assembly and include sums planned to be applied from the Mayor's Resilience Reserve.

LLDC

- 5.4 The Mayor's component budget includes resources for the LLDC and the long term on-going revenue funding commitment is assumed to be £10 million per annum financed from funding held by the GLA. The Mayor has committed potential additional short term support of £8 million and £4.3 million in 2015-16 and 2016-17 respectively in the GLA's forward plans, but wishes to review whether all of this additional support is necessary as part of the development of budget proposals for 2015-16. The GLA's grant settlement from DCLG as part of the London Settlement incorporated notional grant funding for the Olympic Park Legacy Company within its overall settlement until 2014-15. Additional capital grant funding of up to £25 million for the adaptation works for the Olympic Stadium has also been agreed, but included no other funding after 2014-15. However, the Mayor will continue to provide undrawn grant as part of that settlement in 2015-16 and 2016-17 if necessary. In addition the Mayor will provide capital grant funding for the Stadium of £6.2 million for transformation costs resulting from the Rugby World Cup on top of the £18.7 million already committed and cashflow support in advance of capital receipts of up to £18.2 million.
- 5.5 The potential budgetary impact of the Mayor's vision for Olympicopolis in the development of the Queen Elizabeth Olympic Park will need to be reflected in LLDC's budget proposals. However, this should assume no additional revenue or capital funding from the Mayor, except for any additional grant funding provided from Government, and must set out any impact on the assumed level of capital receipts.

LFEPa

- 5.6 The Mayor has committed to fund LFEPa to avoid any further major frontline re-alignment over the lifetime of the Fifth London Safety Plan by compensating for further cuts in net core grants. Accordingly, after allowing for one-off funding in 2014-15, the Mayor has set LFEPa's core funding at £382m for both 2015-16 and 2016-17. However, the Mayor recognises that this level of additional support will still require LFEPa to make substantial savings in both 2015-16 and 2016-17. In order, to facilitate this process the Mayor is willing to consider additional one-off funding to LFEPa to assist with the implementation costs associated with the savings proposals. Further, as part of its budget submission the Mayor wishes to see proposals from LFEPa to optimise the revenue impact of deploying available capital receipts.

MOPAC

- 5.7 Despite the additional reductions in Government grants for MOPAC, the Mayor reiterates his commitment to maintain a police officer establishment at around 32,000. MOPAC are requested to draw up their Budgets for the whole of 2015-16 and 2016-17 on this basis.

TfL

- 5.8 The Mayor's funding to TfL assumes that their share of the precept remains at £6m pa and that TfL's share of retained business rates increases in 2015-16 by an assumed RPI at September 2014 of 2.5%. This assumes that the Government will re-imburse local authorities fully for any new business rates reliefs granted to ratepayers and the ongoing cost of any below RPI cap applied to the increase in the non-domestic rating multiplier. The Mayor specifically requests TfL to present a balanced budget submission which does not:
- increase fares above an assumed level of RPI +1 per cent; and
 - affect the overall outcomes and programmes in TfL's approved Business Plan, particularly from their existing approved Capital Programme.
- 5.9 In order to achieve the objectives above, TfL will need to deliver on-going reductions and efficiencies, on top of those in their existing Business Plan, to meet pressures in 2015-16 and 2016-17. Details of fares options considered by the Mayor will be released following the annual fares decision for 2015.

Review process

- 5.10 The planning guidelines will be kept under review in light of the 2013-14 out turn and any indication that government grant levels already announced might change. Further guidance may be issued once the collection of retained business rates in 2013-14 is finalised and audited. Other supplementary guidance will be circulated if necessary during the budget process.

Capital

- 5.11 Despite the fact that there are separate statutory deadlines for capital and revenue, one overall Budget document is to be prepared, with revenue and capital published together. The Budget Guidance requests that functional bodies integrate their Capital Spending Plans and the Revenue Budget together into one overall budget submission by the end of November 2014. The capital plans should also include proposed borrowing limits for 2015-16 to 2017-18. The Mayor proposes then to consult others on one integrated capital and revenue budget. This will mean that both revenue and capital proposals should be approved by the end of February 2015.
- 5.12 It is important that proposed capital spending plans demonstrate a rationale / justification for any increase in borrowing over and above the limits that the Mayor approved in the Budget for 2014-15, including any change in the level of headroom between their operational boundary and borrowing limit. The plans must be affordable and the revenue implications fully built into the revenue budgets prepared in accordance with this Guidance.
- 5.13 Under the Group Investment arrangements where the GLA manages the treasury functions for LFEPA, LLDC and MOPAC, it is envisaged that there will be much closer working across the GLA Group in the preparation of the Mayor's Capital Plan.

Reserves

- 5.14 For the purposes of making the savings proposals in the full budget submissions by the end of November 2014, functional bodies should assume no new use of reserves in meeting the financial planning guidelines set out above, except where such reserves are required to be applied to meet any redundancy costs or upfront investment in 'invest to save' projects etc. The Mayor will make proposals on the use of reserves in light of the overall need for reserves and the impact on the GLA council tax precept at a later stage in the process.

Efficiencies

- 5.15 As in earlier years the Mayor requires members of the GLA Group to split overall savings proposals between efficiencies and savings.

Funding from the European Union

- 5.16 Functional bodies can and do successfully apply for funding under various European Union initiatives to augment the services that they provide. The Mayor is keen that functional bodies optimise funding opportunities from the EU as part of the preparation of their Business Plans. Accordingly, functional bodies are asked to provide a summary of any current projects, or those under consideration, which are part-funded by the EU, in the format specified in Appendix B.
- 5.17 In order to help discharge these requirements functional bodies should seek further information about regionally managed European Regional Development Fund and European Social Fund programme opportunities from the European Programmes Director at the GLA (alex.conway@london.gov.uk) and from London's European Office (ian.catlow@london.gov.uk), who can advise on other EU programmes.

Shared Services

- 5.18 The Mayor wishes to clarify that functional bodies will need to seek the prior agreement of the Single Property Steering Group for them not to use the London Development Panel for all major land, property and development procurements which are predominately residential in nature and where the scale is likely to involve a planning application that may be referable to the Mayor.

6 Managing the budget process

- 6.1 During the budget process the Mayor and his advisers will, whenever appropriate, use meetings with functional body members and chief officers to discuss the main strategic issues to be addressed in the Budget. The intention is that there will be regular officer-level meetings throughout the budget development period, with specific meetings with the Mayor and/or his advisers as required.

7 Dialogue with budget consultees and contacts

- 7.1 The statutory framework for consultation on the Mayor's draft consolidated Budget is restricted by the time available (mid-December to mid-January). To complement and

prepare for this part of the budget process, the GLA Group should maintain a dialogue with, and provide information to, key stakeholders.

- 7.2 This guidance does not cover the Assembly's Budget and Performance Committee's normal scrutiny process in relation to the functional bodies. This is a different process to the Committee's scrutiny of the GLA's budget. The Budget and Performance Committee will be requesting information at key stages of the 2015-16 Budget process and there will be a requirement for members and officers of each functional body to attend Committee meetings as appropriate.
- 7.3 If any further information or clarification is required on this guidance then please contact: David Gallie, Assistant Director – Group Finance on 020 7983 4968 or e-mail: david.gallie@london.gov.uk.

Budget Timetable

2 July 2014	Mayor's Budget Guidance issued.
2 July to 28 November 2014	Budget preparation in each of the functional bodies (FBs).
Mid-October 2014	Preliminary draft budget proposals prepared and issued for consultation with FBs and Assembly.
20 November 2014	Budget and Performance Committee considers the component budget for the Mayor and Assembly.
28 November 2014	Assembly/FBs responses received to draft budget proposals issued, including full and final budget submissions from the FBs on all aspects of the 2015-16 Budget as specified in this Guidance and at Appendix B.
Mid- December 2014	Following the publication of the provisional Local Government, Fire and Police Settlements, issue the draft consolidated budget, including Capital Spending Plans and borrowing limits. Statutory scrutiny of Mayor's budget proposals starts.
28 January 2015	Assembly to consider draft consolidated budget.
23 February 2015	Assembly consideration of final draft consolidated budget.
28 February 2015	Statutory deadline by which the GLA precept must be approved and the Mayor's statutory Capital Spending Plan is published.

Financial information required by 28 November 2014 from Functional Bodies

Service Analysis

1. The main financial element of the final budget submissions will be an analysis of budget proposals by service division/objective for the two years 2015-16 to 2016-17 with comparative figures for the 2014-15 Budget and forecast outturn and actual 2013-14 outturn showing:

- ◆ Income to be raised and expenditure to be incurred in providing the complete range of services provided by the body
- ◆ Capital financing costs (including capital expenditure charged to revenue)
- ◆ External interest receipts
- ◆ All estimated income from general Government grants and specific Government Grants issued by relevant Government Departments.
- ◆ Transfers to and from earmarked and general reserves
- ◆ Any other financial charges and adjustments
- ◆ The resultant Council Tax requirement.

2. If the service division/objective analysis is revised from that used for 2014-15, then the figures for the previous year should be re-stated on a comparable basis.
3. The budget proposals must be supported by an analysis of changes from the equivalent budgeted figures for 2014-15, separately identifying changes due to:

- ◆ Inflation
- ◆ Changes in service levels (making a distinction between those which are committed and those which are new initiatives)
- ◆ Savings and efficiencies
- ◆ General and specific government grants (including any funding to be provided from retained business rates)
- ◆ Use of reserves
- ◆ Any other significant factors.

TfL are specifically requested to analyse changes in fares, charges and other income and to isolate the effects of inflation.

Subjective analysis

4. A subjective analysis must also be submitted covering the two-year plan period 2015-16 to 2016-17, including a comparison with 2014-15 figures.

New initiatives and service improvements

5. A clear distinction must be made between the full year effects of new activities approved in 2014-15 or earlier years – these are committed service increases – and proposed new initiatives. However, for clarity, the definition of new initiatives is restricted to new provision of services and service improvements, including those to be funded by a redeployment or more effective use of existing resources.
6. Each new initiative / service improvement should have a brief description of the proposal including the expected service improvement or deliverable, and the cost in each of the two years 2015-16 to 2016-17. Costs of new initiatives should be reflected in each of the two years in which they will be incurred i.e. unless the initiative is of a short-term nature, costs should be repeated in all years.

Savings and efficiencies

7. Functional bodies will be required to make savings to set a financially balanced budget for 2015-16 within the funding envelope and format specified in this Guidance.
8. The impact of savings proposals for 2015-16 needs to be set out so that the Mayor's duties to consult on his budget can be discharged. The Mayor requires functional bodies to split overall savings proposals as specified in the Guidance between cashable efficiencies and savings. It is for each functional body to split savings between these categories however non-cashable efficiencies are to be excluded.
9. The following information on savings is to be supplied by 28 November:

- ◆ The assumptions made on elements of the budget that are and are not reducible in the short term, with savings required expressed as a percentage of that reducible amount (NB. Each functional body is to define 'reducible' itself. The GLA will report the savings percentages calculated separately, and will not seek to aggregate them across the Group, as this would be misleading).
- ◆ A brief description of the expected savings and efficiencies to be achieved in 2015-16.
- ◆ As described above the achievement of savings targets must be split between cashable efficiencies and savings.
- ◆ The savings for 2015-16 and 2016-17 should be shown in the analysis on a cumulative basis (i.e. ongoing savings should be reflected in all years) but also savings should be shown on an incremental basis (i.e. the additional net new savings to be made in each year) to transparently show the scale of new savings.

10. In addition to providing an analysis of savings, functional bodies must also outline:

Progress in achieving efficiencies and savings agreed as part of the 2014-15 Budget including the latest available estimate of projected financial performance in 2014-15 and a comparison to the 2013-14 outturn.

Reserves and general balances

11. To meet the requirement of the Local Government Act 2003 in respect of adequacy of reserves and demonstrate compliance with the guidance on local authority reserves and balances issued by CIPFA, but mindful of the guidance on reserves and balances in this document, the GLA and the functional bodies must provide:

- ◆ A statement of policy on reserves and contingencies. Proposed allowances for contingencies should be separately identified and justified. (NB. Contingencies are defined as in the statutory budget calculations). If no contingency is proposed, then a description and explanation as to where within their overall budget appropriate provision for contingencies has been made.
- ◆ Details of all reserves and general balances.
- ◆ An analysis and explanation of the expected movements between the start and end of each year from 1 April 2014 to 31 March 2017.
- ◆ In the case of earmarked reserves held for purposes beyond 31 March 2017, an indication should be given as to when they are likely to be applied.

Inflation factors

12. There is no specific guidance for pay and inflation rates to be used but all functional bodies will need to take account of the Government's public sector pay limits and any nationally or locally agreed pay deals. However, the functional bodies must be able to explain their inflation assumptions (for both pay and non-pay costs) and all figures must be at outturn prices.

Robustness of estimates and adequacy of reserves

13. To help the GLA meet the statutory requirements of the Local Government Act 2003, functional bodies must provide a report by their Chief Finance Officer on the robustness of the proposed budget estimates and the adequacy of the proposed financial reserves.

EU funding

14. Functional bodies are asked to set out a summary of any current projects which are part-funded by the EU, setting out the source of EU funding (e.g. ESF, ERDF etc.), the

total £'000s support from the EU, the matched funding over the duration of the project and the total costs of the project. Functional bodies are also asked to set out a summary of possible EU projects that are under consideration but have not yet been incorporated into their budgets and business plans.

Borrowing limits

15. Under the Local Government Act 2003, the Mayor has the duty of determining authorised limits for each of the functional bodies in respect of external debt after consulting the London Assembly and the functional bodies in respect of their own limits. The functional bodies must therefore provide:

- ◆ Estimates of proposed authorised limits over the capital spending plan period 2014-15 to 2017-2018. These must be justified by reference to the requirements of the Prudential Code, including providing calculations of the prudential indicators, and supported by a draft capital spending plan (see below). (NB. Please note for statutory purposes figures for three years up to and including 2017-18 must be specified).
- ◆ A rationale/justification for any increase in borrowing over and above the limits that the Mayor approved in the 2014-15 Budget, including any change in the level of headroom between the operational boundary and borrowing limit.
- ◆ The level of borrowing required to support the draft capital spending plan.
- ◆ The sources of this borrowing.

Capital spending

16. The draft capital spending plan should be supported by:

Strategy/policy

- ◆ A statement linking capital expenditure to the delivery of the organisation's objectives/priorities.
- ◆ A statement outlining how projects have been prioritised.

Links to revenue budget

- ◆ The revenue/operational expenditure consequences of the overall draft plan, including debt management costs, which must be identified and fully reflected in the revenue budget proposals.
- ◆ Cross referencing of capital financing costs (including capital expenditure charged to revenue) in the revenue budget to the capital spending plan.

Capital expenditure

- ◆ A summary of all the proposed projects providing for each programme / project /

directorates as appropriate:

- The name / title / category / directorate / service.
 - A brief description in non- technical jargon free language without the use of abbreviations
 - For any new programmes / projects proposed, the purpose and anticipated impact
 - Total cost
 - Previous years' expenditure (in total)
 - Projected outturn and revised budget for 2014-15 and projected costs for 2015-16 to 2016-17.
- ◆ Proposed spending on common themes across the GLA group.
 - ◆ Justification for any increase in capital expenditure over the relevant years.

Funding

- ◆ Funding of the capital programme by government grants, specific grants, capital receipts, borrowing, revenue contribution.
- ◆ Funding of PFI/PPP schemes and the financial implications of such funding.
- ◆ Risks
- ◆ Impact of changes in forecast interest / financing costs on the revenue budget
- ◆ Risks associated with funding from capital receipts and what is proposed if funding is not realised (e.g. where in year capital receipts are not as much as anticipated).

Monitoring

- ◆ A statement outlining how performance is to be monitored and evaluated.
- ◆ How slippage for previous years will be managed and its impact on service delivery.

Format of the submission

17. Functional Bodies should ensure that their budget submission is made as one cohesive document which covers all the points in this Appendix and that there are no omissions. Budget submissions should be presented in a format that readily allows public scrutiny. The Mayor expects all Functional Bodies to fully comply with the requirements set out in this guidance.