

## **Mayor's Background Statement in support of his Draft Consolidated Budget for 2015-16**

### **PART 1**

#### **Summary**

This report presents the Mayor's Budget proposals for the Greater London Authority (GLA) and its functional bodies for the next financial year. The Budget is still in draft form and will be changed before being presented to the Assembly on 23 February as the Mayor's final budget.

### **1 Introduction**

- 1.1 The budgetary process is to a large extent governed by the provisions of sections 85, 86 and 87 and Schedule 6 of the Greater London Authority Act 1999 ("the GLA Act").
- 1.2 The Mayor is required to determine consolidated and component council tax requirements for 2015-16 and it is these that the Assembly has the power to amend. The individual Mayor, Assembly and functional body council tax requirements are consolidated to form the consolidated council tax requirement for the GLA Group. The arrangements for Council Tax referenda, in the event that the Council Tax set is deemed to be 'excessive', and the possible impact that would have on the council tax requirement setting process are set out in a separate accompanying document, Part III of this Budget.
- 1.3 The Mayor and the Assembly have a duty to prepare and approve for each financial year a 'component' budget for each of the constituent bodies (that is, the Assembly, the Mayor, and each of the functional bodies) and a 'consolidated budget' for the Authority. A component budget is defined as consisting of a statement of the amount of component council tax requirements for the constituent body concerned and the "statutory calculations" under the relevant section of the GLA Act which give rise to this amount. Also, a consolidated budget must consist of statements of the amount of the Authority's consolidated council tax requirement, the amount of the component council tax requirements for each constituent body and the calculations under the relevant section of the GLA Act which give rise to each of these amounts.
- 1.4 A summarised version of the budget setting process is as follows:
  - (a) The Mayor must prepare for each financial year a budget for each of the constituent bodies and a consolidated budget for the GLA and the functional bodies as a whole (the Authority's consolidated budget). For this purpose, the Mayor of London and London Assembly are treated as separate constituent bodies;
  - (b) Before arriving at the final version of the budget, a draft of the budget for each component body will be the subject of consultation with the relevant body and the Assembly respectively. This has been done (see paragraph 3.1);

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- (c) After preparation of those drafts, the Mayor is required to prepare a draft of his proposed consolidated budget for consultation with the Assembly. The Assembly had resolved that the Mayor should consult its Budget and Performance Committee. Such consultation occurred and the Committee considered that document on 6, 8 and 13 January. The Mayor is also required within the same timeframe to consult with other bodies or persons that he considered appropriate. This also occurred (see paragraph 3.1).
  - (d) Following consultation, the Mayor determines the draft consolidated budget, publishes it and presents it to the Assembly at a public meeting. The draft consolidated budget that has been determined is attached to this statement and the Assembly must approve this budget (with the draft component budgets comprised in it) with or without amendment.
  - (e) After the draft consolidated budget has been approved, with or without amendment, the Mayor will prepare and publish a final draft of his proposed consolidated budget for the next financial year. If the final draft budget to the Assembly does not incorporate the Assembly's amendments the Mayor must state his reasons for not doing so. Also, if that final draft is different to the original draft with or without amendments, the Mayor must lay a written statement before the Assembly of his reasons for the changes. This final draft must be considered at a public meeting of the Assembly and approved with or without amendment before the last day of February. Any amendment must at this stage be agreed by at least two thirds of the Members voting. The resulting budget will be the approved consolidated budget for the financial year 2015-16.
- 1.5 Consequently, the Assembly must approve the draft consolidated budget presented as attached with or without amendment. If no amendments are made, the draft consolidated budget shall be deemed to be approved. A simple majority of votes cast will amend the draft consolidated budget.
- 1.6 It should be noted that at the final budget stage if the Mayor presents or the Assembly amends the final draft budget in such a way that it is not in compliance with the Government's "excessiveness principles" applying to the same financial year as the budget, then the Mayor or Assembly (as the case may be) must at the same time also prepare a substitute budget in compliance with those principles.

## **2 Documentation**

- 2.1 Annex A to this statement presents the Mayor's draft consolidated budget as defined in the GLA Act.
- 2.2 A separate accompanying document (Part II of the Budget) provides an explanation of the budget proposals. This is in the same format as the consultation paper summarising the draft budget and the precept requirement which was published on 19 December 2014. The last appendix to that document lists the changes that have been made to the consultation paper.
- 2.3 Another separate accompanying document (Part III of the Budget) provides financial and legal advice to the Mayor and Assembly, and this includes separate advice on the setting of the Assembly component budget.

### 3 Consultation Process and Responses

3.1 In addition to consulting the Assembly and the constituent functional bodies, in preparing his draft budget the Mayor must consult other bodies and 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 by 28 November 2014. The budget consultation paper issued on 19 December has been widely circulated to each functional body, London borough councils, the Common Council of the City of London, London Councils and a range of business and representative organisations. It was also placed on the Greater London Authority website, enabling members of the public to make their comments. A summary of the responses and copies of all responses received are being made available to Assembly Members concurrently with this Budget.

### 4 The Mayor's Approach to Decision Making

- 4.1 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, waste, culture and sport, health, sustainable development, energy, climate change, the environment and Mayoral Development Corporations.
- 4.2 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.
- 4.3 To help fulfil these functions and responsibilities, but subject to the information available on future grant 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.
- 4.4 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.

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4.5 This approach was reflected in the Mayor's guidance for the preparation of budget submissions for 2015-16 and future plans which was issued to the GLA Group in July 2014. It has also been supplemented by additional guidance and 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.

## **5 The Local Government Finance Regime**

- 5.1 For 2015-16 the GLA is due to receive some £1.4 billion of business rates income of which around £356 million will be paid to the Government as a fixed tariff payment, with the balance used to fund services across the GLA Group. This regime allows the GLA scope to retain some of the growth in business rates in London. Details of these changes and their impact on the budget calculations are set out at Appendix H of Part II.
- 5.2 Although the introduction of retained business rates allows authorities to share in the growth in their areas, it also leads to increased uncertainty in the setting of the GLA's budget. The Authority awaits returns from Billing Authorities setting out their localised Council Tax Support schemes, council taxbases and forecasts for collectable business rates in 2015-16 and collection fund surplus or deficit estimates for 2014-15 which will change the final precept calculations.
- 5.3 The GLA is now more vulnerable to volatility in business rates revenues (including the Crossrail BRS) as a result of the new regime. For business rates retention the Authority has to meet the first £75 million of any loss of income relative to its baseline funding position before additional protection is provided by central government through the safety net – this equates to 7.5 per cent of the notional uprated baseline funding for the GLA in respect of retained rates as set out in the 2015-16 provisional local government finance settlement. The Mayor's resilience reserve continues to be enhanced to help manage these risks and the position will be monitored closely. The Mayor's Resilience Reserve must be maintained at a sufficiently high level to manage these needs.
- 5.4 There is an additional uncertainty concerning the funding settlement for 2016-17 onwards. In 2016-17 and 2017-18, planned government revenue spending is expected to fall by a further 4.4 per cent and 4.1 per cent respectively – considerably greater than the 2.0 per cent in 2015-16. If the current protection for the NHS, schools, defence and international development spending continues, it is highly likely that local government, fire and transport can expect significantly larger reductions in the years to come. Policing is expected to see lower – albeit still significant – reductions. Until further information is provided by Government there will be no firm detail of the scale of capital and revenue expenditure that can be supported over the medium term.

### 6 The Mayor's Budget Proposals

#### Consolidated Council Tax Requirement

- 6.1 On 19 December 2014 the Mayor issued his Budget Consultation Document for 2015-16. More detail is contained in the accompanying explanatory document (Part II of the Budget) and in the reports relating to draft budget and business plan proposals considered by the functional bodies and the Assembly's Budget and Performance Committee during the course of the year.
- 6.2 The Mayor's proposed consolidated council tax requirement has not changed from the Budget Consultation Document. The Mayor is therefore proposing a reduction in the Band D Council Tax of 1.3 per cent from £299.00 to £295.00 in 2015-16.
- 6.3 Once final returns are made at the end of January by the 33 billing authorities in London in respect of their retained business rates forecasts and council tax bases for 2015-16, there will be changes to the precept calculations. These will be reflected in the Mayor's final draft budget for 2015-16.
- 6.4 The Mayor's financial planning guidelines in his budget guidance reflected the nature and specific circumstances of each member of the GLA Group. Changes in the component amounts for each functional body are not uniform, reflecting their different funding settlements from Government and the new financial regime introduced in 2013-14. The Mayor has decided to continue to passport notional shares of retained business rates to functional bodies (LFEPA and TfL) and the GLA (Assembly) for 2015-16. The GLA Mayoral component budget will manage any risk and volatility.
- 6.5 The Mayor's 2015-16 budget proposes significant efficiencies and savings across the Group arising from the reduction in Government funding. However, the Budget also allows significant capital investment in London's housing and transport infrastructure and to deliver the Olympic Legacy.

#### Mayor of London

- 6.6 Except for activities prescribed by the GLA Act as falling within the component budget for the Assembly, the budget for the Mayor of London covers all of the GLA's activities.
- 6.7 The GLA is required to determine a separate council tax requirement for each of the Mayor and the Assembly. This means that the GLA's grant funding and retained business rates must be apportioned between the Mayor and Assembly. The combined council tax requirement for the GLA for 2015-16 is £73.5 million, comprising £70.9 million for the Mayor - £65.3 million excluding the forecast collection fund surplus for 2014-15 - and £2.6 million for the Assembly. The methodology used to calculate this is set out in Part II of the Budget. Set out below are the main elements of the GLA (Mayor's) budget for 2015-16.
- 6.8 The 2015-16 budget includes Regeneration programmes totalling £169.7 million capital and £51.5 million revenue, such as that run by the business-led London Enterprise Panel (LEP) and the Mayor's Regeneration Fund (MRF). These investments will strengthen local economies, creating and safeguarding jobs, transforming public realm and making local infrastructure, including further education, fit for the future.

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- 6.9 The £70 million MRF programme supports regeneration in high streets and neighbourhoods. This year saw a number of achievements for the MRF, including Tottenham High Road and Tottenham Green. Investment will continue in Croydon, with a focus on supporting local businesses and entrepreneurs through initiatives including the Enterprise Hub and the Innovation Centre, which will be complemented by investments in the public realm.
- 6.10 Following the success of the Outer London Fund which delivered improvements to town centres right across London from Bromley to Harrow town centre and Streatham High Street, the budget provides for a new £9 million High Street Fund which will start delivery in April 2015 helping create better high streets, public spaces, supporting local shops, jobs and growth.
- 6.11 The Growing Places Fund (GPF) is providing £111 million of investment guided by the LEP. Estimated GPF expenditure is £48.1 million in 2015-16. There is a revolving element to the Fund repayable over the medium term, so allocations will be a mixture of grant and loan funding. Schemes are being developed to deliver improved links between Tottenham Hale and the Upper Lea Valley and provide support in Ealing to harness the economic opportunities coming from Crossrail. Such projects will help safeguard and create an estimated 45,000 jobs. Projects already in delivery include MedCity, the new organisation promoting London's excellence in biotech and research, a construction skills project to help address shortages in the industry, £5.5 million to the Central Research Laboratory in Hayes which will become a hub for start-ups and SMEs in West London and £25 million invested in the London Co-Investment Fund to assist small innovative businesses looking for early stage venture capital.
- 6.12 In 2015-16, £70 million of pooled funding from the New Homes Bonus revenues is to be allocated to London boroughs and invested in accordance with the LEP priorities. The diverse projects which make up the programme are forecast to help 6,620 people into employment, 875 jobs created, 2,100 apprenticeship starts, 123,200 sq. m new or improved public realm, 178,230 sq. m new or improved commercial space and 6,300 businesses supported right across the capital.
- 6.13 As part of the Growth Deal, the LEP is to receive £120 million funding to invest in Further Education assets over the next two years. Estimated capital expenditure of £30 million will be incurred in 2015-16. The fund will allow education and skills providers to play a crucial role in training young people in London to meet the marketplace growing and changing skills needs. The programme has the potential to deliver approximately 18,000 additional learners and an anticipated 5,500 jobs through the renewal of Further Education estates, equipment and capacity. It will encourage relevant and up-to-date provision, meeting the needs of businesses and employers and giving young people great opportunities to progress.
- 6.14 The High Speed 2 (HS2) and Crossrail station at Old Oak Common provide a once-in-a-lifetime regeneration opportunity to deliver in that part of West London 24,000 homes, 55,000 jobs and a potential £15 billion contribution to the economy. Without a Mayoral Development Corporation (MDC) to coordinate intervention, the full development potential may not be realised in a timely and robust manner. The Mayor consulted and has notified the Secretary of State to prepare the relevant Statutory Instrument to enable the establishment of the MDC. The GLA's 2015-16 budget includes seed-funding for this new functional body. Assuming the MDC is established in 2015-16, future years' budgets will treat the OPDC as a full functional body of the GLA.

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- 6.15 More than 100,000 apprenticeships have been created in London since the beginning of this Mayoral term, 170,000 since the beginning of the Mayor's campaign in 2010. Annual numbers have averaged over 40,000 (compared to less than 21,000 prior to the campaign). A recent dip in apprenticeship starts across the UK (reflecting an improved job market but also changes to the delivery of the scheme which make it more challenging to deliver apprenticeships) makes it necessary to redouble efforts. The Mayor convinced Government to commit to match-fund the uplift of the SME Apprenticeship Grant for Employers (AGE) Incentive to £3,000 in 2015-16. And whilst the overwhelming amount of funding for apprenticeships in London comes from national government, the Mayor is seeking to boost it further.
- 6.16 This budget provides for a £1.8 million Employer-Led Apprenticeship Creation Programme opportunity to encourage employers/sectorial leads to use their networks or supply-chains to promote a further 3,600 apprenticeship starts. This will be scaled up if an additional £1 million LEP funding is agreed. Another £100,000 will support the continuation of the Apprenticeships Information Ambassadors Network activity to generate 500 new apprenticeship starts, giving talented young Londoners the opportunity to contribute to London's success and build the foundation of a successful career.
- 6.17 Building on the soaring numbers of visitors attracted to London, the successful launch of the 'dot london' domain name and the capital's continued successes in attracting inward investment – with significant investments from the US, Japan and China, the GLA will continue to support London and Partners, London's promotion agency with a £11.4 million investment in 2015-16. This will reinforce London's position as the place to be, attracting further visitors, students and foreign direct investment – benefiting London's businesses and creating jobs.
- 6.18 Following the successful delivery of the Parks and Trees programme (to date, 100 pocket parks and 20,000 new street trees over the two Mayoral terms), the GLA will invest a further £1 million capital in 2015-16 towards a greener and cleaner city. This new investment will deliver 5 park enhancements, totalling at least 20 hectares, and support the planting of another 10,000 trees through a community grant scheme.
- 6.19 More than £1 million is also being invested in 2015-16 to deliver the Mayor's Food priorities including managing food waste, promoting healthy and sustainable food for London and supporting SMEs and start-ups.
- 6.20 The budget continues to provide towards delivering the Mayor's commitment of 100,000 affordable homes over the two Mayoral terms to 2016, a target which is on track with 81,600 delivered by end-2014. The GLA programmes aim to support 250,000 Londoners into low-cost home ownership, through part-rent, part-buy, over the next decade.
- 6.21 The GLA secured £1.25 billion for affordable housing delivery in London in 2015-18 and allocations are in place for the majority of homes to be delivered in this period. Continuous bidding for the 2015-18 programme opened in December 2014.

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- 6.22 Government and the GLA are matching funds to a total of £400 million funding for twenty Housing Zones across the capital, delivering up to 50,000 new homes for Londoners over ten years to 2025. These Zones will help support and unlock thousands of additional homes and accelerate developments on difficult sites. The initial wave has almost completed the first assessment stages and is expected to be announced in the near future.
- 6.23 The London Housing Bank will offer £200 million funding in the form of low-cost loans to enable more homes to be brought forward faster than would otherwise be delivered, particularly on large multi-phased sites to deliver up to 4,000 additional homes. The homes will be made available at sub-market rents (80 per cent or below) for working Londoners for a minimum of seven years after which they will be sold or refinanced, with the GLA receiving the money back from its counter-parties. The programme aims to accelerate delivery on larger sites as such homes can be let faster than the market rate of sales.
- 6.24 In January 2015 the GLA announced its intention to create a £180 million challenge fund to increase the delivery of shared ownership homes, investing in 4,000 homes from 2015-20, expanding home ownership opportunities to hard-working Londoners, accelerating housing delivery and attracting long-term investment into shared ownership delivery.
- 6.25 The Mayor also aims to promote provision of larger homes and has introduced an ambitious target of 36 per cent of the 'discounted rent' homes to be three-bed-plus homes in 2015-18.
- 6.26 The budget also continues to support boroughs to improve local authority homes to the Decent Homes Standard with £145 million for 2015-16.
- 6.27 The Mayor has committed to ensuring that no-one new to the streets sleeps rough for a second night. Given the increasing flow of new rough sleepers onto the streets of London, this is a challenging task and a substantial investment of £8.4 million in 2015-16 is proposed to continue Pan-London Rough Sleeping Services, including the No Second Night Out programme.
- 6.28 The Mayor's budget takes into account the targets he has set to improve London's environment, including a 60 per cent CO<sub>2</sub> reduction on 1990 levels by 2025, halving transport related NO<sub>x</sub> emissions in central London by 2020, reducing those living in areas exceeding the EU limit values for NO<sub>2</sub> by 70 per cent and increasing tree cover by 5 per cent by 2025. London now meets the legal limits for eight out of the nine EU regulated pollutants, and the number of Londoners living in areas above nitrogen dioxide limits has halved since 2008. Whilst the targets have become more challenging with London's population increase, the Mayor is committed to reducing London's CO<sub>2</sub> emissions and securing London's energy supply through energy efficiency and energy supply programmes, which draw in significant additional external income.
- 6.29 The GLA will intensify London's retrofit activity with £2.2 million in 2015-16. £1 million will be directed towards public building retrofitting (RE:FIT project), which aims to deliver 45,000 tonnes of CO<sub>2</sub> savings and more than 130 retrofitted buildings, including GLA Group estate buildings and schools, whilst £1.26 million is focused on the RE:NEW residential retrofit.

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- 6.30 RE:NEW has attracted 3 million Euros in funding from the European Investment Bank (EIB) ELENA facility over 3 years, matched by a 10 per cent contribution from the GLA, to retrofit 175,000 homes. This is addition to the 100,000 homes in London that have already received these energy efficiency measures and advice, saving carbons and cutting bills.
- 6.31 RE:FIT has attracted over 2.8 million Euros in funding from the EIB ELENA facility over 3 years, matched by a 10 per cent contribution from the GLA. 400 buildings have been, or are in the process of being, retrofitted.
- 6.32 GLA will work with stakeholders to deliver more local energy generation projects for a lower cost (Energy for London supporting the installation of efficient decentralised heating to buildings), and more secure and lower carbon energy supply for London, including through the planned application for a junior electricity supply licence by OFGEM to enable the GLA to become an operational licenced energy supplier
- 6.33 Young people continue to be a vital priority for this budget and the GLA's net investment increases slightly in 2015-16 to £4.3 million, complemented by £1.1 million external income, to implement the Mayor's Education Delivery Plan to drive up standards in London's schools, boost attainment and give every child the platform they need to succeed.
- 6.34 Improving the quality of teaching is one of the best way to improve children's attainment at school and can help narrow the gap in learning outcomes. The GLA set up the London Schools Excellence Fund to address this issue and £2.5 million in 2015-16 will help young people achieve better results through expert teaching, improved subject knowledge and subject-specific learning methods.
- 6.35 All other projects continue into next year: the London Curriculum (developing teaching resources), Supplementary Programmes for Schools and the London Schools Gold Club (encouraging excellence in London's schools), as well as Academies, London Curriculum; English as the key to Integration in London, providing support to teachers, targeted pupils and their families and helping institutions exchange of best practice.
- 6.36 Whilst next year is a year of transition for the European supported ESF Youth programmes, £1.2 million is being invested to re-engage vulnerable young people into education, training or employment. In parallel, work is taking place to ensure that young people will benefit from further investment when the new ESF programme 2014-20 gets into delivery phase.
- 6.37 In addition, the GLA is running a number of programmes in other areas which mostly, or in large part, work with schools and young people. This includes our work on Healthy Schools within the obesity project, large elements of the Sports programme, gigs, Food Growing in Schools and Team London volunteering.

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- 6.38 Team London is a key legacy from the Olympic and Paralympic Games and aims to make it easy for Londoners to get involved in and give their time and skills to volunteer and do great things for London: making the capital greener and cleaner, giving young people the chance to gain skills and experience and providing an outstanding welcome to London's visitors through the Team London Ambassadors programme. The programme has proved very efficient at attracting external income and in total £2.019 million is being invested in 2015-16.
- 6.39 The investment in the capital's creative industries – through GLA's support of Film London (for films, animation and television productions), the London Design Festival and the London Fashion Week, amongst others – continues to bring in substantial investment to the city. 75 per cent of UK film production worth almost £1.1 billion is now concentrated in and around the capital, which creates significant employment opportunities. The budget reaffirms the importance of this activity.
- 6.40 The Mayor will also continue to support cultural events which benefit schools, young people and visitors alike, such as the Mayor's GIGS, Busk in London, Big Dance, the Fourth Plinth programme and the major cultural attraction which is the Museum of London. 2015-16 will also mark the beginning of activities to promote London as a world centre for the Games industries, through an investment from the Growing Places Fund.
- 6.41 The budget builds on the London 2012 sporting legacy by supporting grassroots sports. In excess of £2.2 million revenue will be invested over the next two years through the on-going Sports Legacy Programme. This will support participation in activities such as Freesport, whilst the capital programme continues to refurbish local facilities and increase user numbers. The budget also includes a supplementary allocation to extend the work into 2016-17.
- 6.42 In addition to investing £650,000 in 2015-16, the GLA is leading and coordinating on a strategy to ensure London can host a number of major international sports events over the next few years, such as the IAAF World Athletics and IPC Athletics World Championships in 2017. Such high-profile events create direct economic benefits for the economy and increased sports participation.
- 6.43 The GLA is continuing to ensure that Events for London are delivered efficiently. The programme, with an annual attendance of 3 million people, supports the international promotion of London's cultural offers, generates spend within the London economy and encourages the participation of different communities across London, encouraging social development and cohesion. A three-year contract for New Year's Eve is in place to allow for better planning in the coming years. To address its popularity with associated issues of safety and overcrowding, the event is now ticketed. But as the income from ticket sales only covers the additional infrastructure required, GLA investment remains at the same level in 2015-16.
- 6.44 London will benefit from the new 2014-20 EU programmes that will start delivery over the coming months. The LEP has been awarded €748.6 million of European Social Fund (ESF) and European Regional Development Fund (ERDF) to invest in boosting jobs and growth for London. An additional €37 million has been received for the Youth Employment Initiative (YEI) to provide extra funding to reinforce support available to young people in Inner London through ESF. The GLA acts as the Intermediary Body managing regional EU funds on behalf of the Government and the LEP.

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6.45 Beyond the directly-funded programmes, the GLA will further advocate London's case to Government and internationally as the world's destination for investment, talent and tourism, and plan for London's future, putting in place policies and strategies to seize opportunities, address social and economic challenges, and secure tomorrow's infrastructure. We are also making the case for London's fiscal devolution, following the report of the London Finance Commission and the 2050 Infrastructure Plan, and, as part of this, press for and support the renewal and upgrading of London's transport, housing and community infrastructure.

### London Assembly

6.46 The budget for the Assembly reflects its current staffing establishment, approved levels of Member and group support and approved policies. It includes efficiencies of £0.1 million in 2015-16. The Assembly's net expenditure is £7.2 million in 2015-16. The Assembly's council tax requirement – net of its apportioned share of the provisional revenue support grant and retained business rates – is £2.6 million.

### Mayor's Office for Policing and Crime

6.47 The Mayor's Police and Crime Plan sets out the Mayor's strategy for tackling crime and making London safer over a four year period (2013-2017). The Plan includes the 20-20-20 targets to cut seven priority high impact, high volume, neighbourhood crimes by 20 per cent, boost public confidence in the MPS by 20 per cent - to help the police improve their connection with Londoners - while making 20 per cent savings in the MPS.

6.48 The Mayor's proposed budget for MOPAC has been prepared to support the delivery of the Police and Crime Plan and specifically to:

- cut crime by 20 per cent in seven key neighbourhood crime types, reducing the number of crimes by up to 250,000;
- increase confidence by 20 per cent with up to 75 per cent of Londoners thinking the MPS are doing a good or excellent job;
- cut costs by 20 per cent, delivering £500 million of savings;
- seek swifter justice for victims by reducing delays in the criminal justice system by 20 per cent;
- increase compliance with community sentences by 20 per cent; and
- reduce reoffending by young people leaving custody in London by 20 per cent.

6.49 MOPAC is ahead of target on crime reduction, on target for cost reduction – despite the unprecedented scale of budget challenge - and with performance improving but with more work to do. Since the Mayor was elected crime overall has fallen more than 17 per cent. This means there are now 120 fewer victims of crime every single day.

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- 6.50 MOPAC is rationalising the estate, reducing running costs and generating record receipts from sales of buildings helping to fund new investment in frontline policing, with a wider social benefit too – as many old police stations are now becoming schools and homes, directly contributing to growth and educational opportunity across our city.
- 6.51 MOPAC has continued to drive forward the 'And Crime' agenda, allowing performance management across London's criminal justice system for the first time. MOPAC are also spearheading collaborative working, especially prevention efforts around gangs and mental health.
- 6.52 Projects funded by MOPAC through the London Crime Prevention Fund are beginning to make a difference on the ground, and new figures suggest Londoners are feeling safer. Compared to a year ago, those who say they are concerned about crime has fallen 5 points, to 45 per cent.
- 6.53 In response to the goals in the Police and Crime Plan, the MPS is redesigning the way that police services are delivered in London. This includes a new local policing model that redeploys officers from the back office to the frontline with an additional 2,600 officers in Neighbourhood Teams. This will make the police more visible and accountable to local people. In addition, supervisory ratios are being brought down and will be more in line with other forces.
- 6.54 The budget supports 32,000 officers for 2015-16 and going into 2016-17. The focus on street policing and keeping police numbers high means that savings are to be delivered by disposing of under-used buildings, investing in IT and reducing overheads through the rationalisation of the back office and bringing down support costs more in line with national averages.
- 6.55 The estate is vast and expensive and MOPAC's Estates Strategy proposes a reduction in the size of the estate from 900,000 square metres to 600,000 square metres by 2015-16. To achieve that aim MOPAC is selling New Scotland Yard HQ and around 200 of its least used buildings, the majority of which currently have no form of public access. The estate plans are projected to save £60 million in running costs.
- 6.56 There will be investment in new forms of public access that better reflect the way in which the public want to access the police by for example phone, email and through more police officers on the street. In total the MPS plan to invest over £460 million in the next two years on its Capital Programme to transform its estate including the rationalisation of the Hendon estate; the new headquarters; and refurbishing old and antiquated buildings to ensure they are fit for the 21st century.
- 6.57 Technology savings have also been developed over the last year to address the fundamental problems with the MPS's IT. This programme offers both the opportunity to be innovative in order to provide an enhanced and pre-eminent technology platform that supports the goal of becoming the first truly digital police force as well as driving out substantial costs.
- 6.58 By 2015-16 MOPAC will have delivered savings of £573 million, £73 million in excess of the original target of £500 million over 2013-16. IT and property savings are still set to deliver, although later than originally planned. The Met's Commercial Strategy will also be important in delivering future savings. The Mayor re-iterates his commitment that the London Living Wage is paid across the GLA Group and this requirement includes any contracted staff under the Met's Commercial Strategy.

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6.59 Nevertheless, the Mayor recognises that delivering savings to bridge the gap in 2016-17 of £189 million and future savings following the Comprehensive Spending Review will be challenging, but he is confident that through delivering services differently the savings can be delivered whilst protecting the frontline.

### **London Fire and Emergency Planning Authority**

- 6.60 LFEPA's key priorities are set out in the Fifth London Safety Plan (LSP5). It outlines a wide range of policies and measures which are intended to improve the safety of Londoners. Among other things, it includes plans to reduce fires amongst vulnerable groups, such as those living in sheltered housing; to lobby for the wider use of sprinklers; to introduce charges for repeat false fire alarm call outs; and to continue to carry out thousands of home fire safety visits each year.
- 6.61 Targets that will remain constant throughout the life of the plan are for London Fire Brigade to always get to an emergency incident as quickly as possible on each and every occasion; to get the first fire engine to an incident within an average of six minutes; to get the second fire engine to an incident within an average of eight minutes and to get a fire engine anywhere in London within 12 minutes on 95 per cent of occasions. The first and second response targets are amongst the fastest target response times of any emergency service in the country and almost twice as fast as some other fire brigades.
- 6.62 The changes to fire stations and fire engines introduced in January 2014 by the Fifth London Safety Plan (LSP5) were achieved by maintaining the London-wide average response time for first and second fire engines within 6 and 8 minute targets. Central London boroughs will continue to receive a fast response; for example, Camden, Islington, Southwark and Tower Hamlets have an average response time of less than six minutes for a first fire engine. Comparing London statistics for 2013 with 2000, fires attended by the London Fire Brigade have reduced by 56 per cent over that period, total incidents by 42 per cent and fatalities in fires by 17 per cent. As an individual in London, the likelihood of needing the fire service in an emergency situation is low, and the number of fires in London is at the lowest level since records (for Greater London) began in 1965.
- 6.63 With the implementation of LSP5, the Mayor has committed to provide funding to LFEPA to avoid the need for any further major frontline realignment over the lifetime of LSP5 from 2013-17. However, despite this support LFEPA has had to make additional savings and efficiencies in 2015-16 of £7.4 million and a further £3.2 million needs to be proposed to balance its budget in 2015-16. Further, additional savings and efficiencies will be required to be made in 2016-17. An update will be provided in the Mayor's final draft Budget once LFEPA meet on 29 January.
- 6.64 Over the next two years a significant level of capital investment is planned. Total estimated capital expenditure is £73.9 million and this is focussed on the modernisation of LFEPA's estate, IT investment, service concessions relating to PFI stations and finance leases and the replacement of equipment and existing fire service fleet.

## Draft Consolidated Budget for 2015-16

- 6.65 LFEPA's Revenue Budget and Capital Programme do not at this stage allow for the impact of receipts from the disposal of nine former fire station sites arising from LSP5. However, LFEPA's budget submission highlights that the application of anticipated receipts is being considered in order to replace the borrowing requirement for both 2015-16 and 2016-17. This is expected to make a significant contribution to the remaining budget gap for both these years. Options for invest to save schemes are also being considered.
- 6.66 Disposal of the sites is subject to a final response from the Mayor. The Mayor wrote to the Authority on 22 December 2014 confirming that it should progress the sale of six of the sites but said he is minded to direct LFEPA to accept bids for the three remaining sites to be used for new schools. LFEPA's Appointments and Urgency Committee met on 12 January and deferred a decision on these issues to the Authority's meeting on 29 January. An update on this issue will be provided in the Mayor's final draft Budget.
- 6.67 The Mayor believes he has an interest in overseeing the future development and use of the sites in view of the financial implications and impact on infrastructure for London. The Mayor is also committed, where appropriate, to supporting new school developments in London, and his provisional view is that three of the sites would be ideal for the establishment of new schools and that this should be facilitated.

### Transport for London

- 6.68 As the Capital's population and economy continue to grow, there has never been more pressure on London's transport network. However, due to the continuing investment in our transport infrastructure, the network is now more reliable and efficient than ever before with customer satisfaction at an all-time high.
- 6.69 Radical infrastructure upgrades and improvements to the way public transport and road networks are managed, as well as better customer support and information have been key to these successes. But, as the population continues to grow, with projections of over 10 million people in London in the 2030s, it is vital that the Mayor builds on this position.
- 6.70 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 meeting the needs of a growing world city.
- 6.71 In the 2013 Spending Round the Government committed to a stable long-term capital funding through to the early years of the next decade. In 2015-16 TfL's capital programme is some £110 million higher than in 2014-15 and this level of investment is sustained over the Business Plan period. This allows better stations, more reliable services, and a new 24-hour weekend service on the Tube. Crossrail, the Northern Line extension and improved bus, Overground, Docklands Light Railway (DLR) and tram services are all going to be delivered. TfL are also delivering safer, more attractive cycling infrastructure, an unprecedented investment in roads (£4 billion over the next ten years), improved high streets and neighbourhoods and tackling air pollution.

## Draft Consolidated Budget for 2015-16

- 6.72 This sustained investment is central to supporting London's economic growth and prosperity. The London Plan identifies 43 sites for major growth up to 2031 with the potential to provide around 250,000 homes and 500,000 jobs, so investment in transport will be crucial to unlock these benefits and meet the needs of the growing city. For the Tube this means delivering a more reliable system and greater capacity to carry more people. The sub-surface railway upgrade is the largest investment currently being undertaken on the Underground, and over the past year plans have been developed for future improvements, with the Piccadilly line to lead the way in using pioneering new technology to provide more capacity and greater levels of reliability.
- 6.73 Alongside all these improvements, the Mayor has continued to bear down on fares. Fares in 2015 will on average rise by inflation, rather than TfL's long-term assumption of RPI plus one per cent. The Mayor will continue to offer much needed concessions to those who most need them. He has also provided a more equitable system to support part time and low paid workers by significantly reducing all day multi mode pay as you go caps.
- 6.74 There is widespread cross party agreement that part-time workers deserve a better deal from fares, relative to full-time workers who enjoy the benefits of Travelcard season tickets. The new lower daily cap will benefit 200,000 users each day. At the same time, by holding down the price of the Travelcard season ticket to just below inflation, a further million users will benefit.
- 6.75 The cap costs around £20 million per year to implement. Around three-quarters of this cost is met by increasing the cost of paper travelcards. Anyone affected by this increase should transfer to using Oyster or contactless payments, which automatically gives them the best value fares. A small minority of pay as you go (PAYG) users – under two per cent – will see price increases as a result of the withdrawal of the off-peak caps. However, TfL estimates that most of those affected will see increases of under £1. Only around 5,000 PAYG users will pay £2 or more extra for their day's travel.
- 6.76 Limiting fare inflation has been affordable due to TfL's savings programme and additional support being provided by the Department of Transport. TfL are delivering a range of initiatives including:
- £27 million to date from the re-let of the ticketing contract;
  - Cash free buses, which will deliver 17 per cent of TfL's long term cash-free savings target;
  - Savings through the continuing competitive tendering for bus routes;
  - £181 million of savings to 2020-21 through the 'Fit for Future Stations' changes;
  - £310 million of savings to 2020-21 through more efficient Tube track maintenance and renewals;
  - £164 million of savings to 2020-21 through additional back office and contract savings in bus operations and traffic control; and
  - £3.4 billion of net commercial revenues over the next ten years.

## Draft Consolidated Budget for 2015-16

- 6.77 Cycling is a core mode of travel in London. Since 2001, the number of cycle journeys on the Capital's main roads has almost tripled with nearly 600,000 cycle trips being made every day. This is almost as high as the daily trips made by London Overground and the DLR combined, with cyclists now making up around a quarter of rush hour traffic in central London. Even with this significant rise in the number of cyclists, the number of cycling fatalities and injuries has fallen in recent years. However, this number is still too high, and improving safety for cyclists remains a priority for the Mayor.
- 6.78 This is why the Mayor is investing an unprecedented £913 million over 10 years into his hugely ambitious 'Cycling Vision for London'. The cycling programme will see new high quality cycle superhighways, a new network of 'Quietways' in every borough, a new 'Central London Grid' of bicycle routes in central London, the transformation of the London suburbs through the 'Mini Holland' programme, and substantial improvements for cyclists at 33 locations, including some of the most intimidating and high profile junctions and gyratories in London.
- 6.79 The Mayor continues to plan for the transport investment required for London's future. Major projects such as Crossrail 2, the extension of the Bakerloo line, further major upgrades to the road network and Tube line upgrades into the 2020s are priorities for London, but require funding to be agreed. Further detail behind these major infrastructure challenges were set in the Mayor's 2050 Infrastructure Investment Plan and will be developed in future TfL Business Plans. A first rate mass transport system is vital for the Mayor's priorities of generating economic growth, new jobs and providing new homes.

### **London Legacy Development Corporation**

- 6.80 The London Legacy Development Corporation is driving the legacy of the London Olympic and Paralympic Games to transform the lives of east Londoners. The Queen Elizabeth Olympic Park is at the heart of a dynamic new east London where this once in a lifetime opportunity is creating opportunities for local people and driving innovation and growth across the city and the UK. It will also be home to more than 10,000 new households by 2030.
- 6.81 The Mayor's Budget provides the funding to progress the development of Olympicopolis, a world class new cultural, scientific and educational quarter in the Queen Elizabeth Olympic Park. This transformational scheme will bring together outstanding organisations including University College London (UCL), the Victoria and Albert Museum (V&A), Sadlers Wells and the University of the Arts London (UAL) to showcase arts, dance, history, craft, science, technology and cutting edge design. These organisations will contribute funding to the project alongside £141 million pledged by the Government.
- 6.82 Olympicopolis is expected to deliver 3,000 new jobs, 1.5 million additional visitors and £2.8 billion of economic value to Stratford and the surrounding area. UCL will create a new university campus, its largest ever single expansion since the university was founded nearly 200 years ago and UAL will establish a new campus on Stratford Waterfront, bringing together London College of Fashion's 6,500 students and staff for the first time in the college's 100 year history. The Waterfront site will also house new locations for the V&A to create a new model for museums of the future and Sadler's Wells to create a new 600 seat auditorium.

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- 6.83 The Mayor's Budget will enable the successful operation of the Park and its venues and enable the hosting of major sporting events, including five Rugby World Cup matches, Athletics meets in the Stadium, Euronations Hockey, World Track Cycling Championships and European Swimming Championships.
- 6.84 The Mayor's Budget ensures that LLDC is provided with sufficient funds for its capital expenditure requirements in advance of the capital receipts that will be generated from its activities. LLDC is estimated to require an ongoing capital subsidy up to 2021-22 at which point it is expected to start generating a surplus. By 2024-25 this surplus is estimated to be £200 million before payments to the National Lottery.

### Future Years

- 6.85 The Mayor has issued further details of the prospects for the GLA Group for future years (Appendix H of Part II the budget). It is important to recognise the caveats and limitations of this analysis, in particular the uncertainty concerning the funding settlement for 2016-17 onwards.

## 7 The Impact on Local Taxpayers

- 7.1 In deciding on the proposed spending plans across the GLA group of £16.7 billion gross the key priorities have been to invest in London's infrastructure whilst reducing the Council Tax Precept. In 2014, the precept will have fallen in real terms by some 28 per cent since May 2008.
- 7.2 The sustained investment in capital expenditure overall across the Group allowing for the progress of the Crossrail project whilst reducing the precept, has been largely achieved by the Mayor securing a favourable London Settlement and making savings and efficiencies of over £446 million in 2015-16. The GLA will also receive a Council Tax Freeze grant of £9.4 million as a result of the proposal to not to increase the GLA precept in 2015-16.
- 7.3 Subject to certain key financial information being confirmed, the Mayor's budget requires a Band D Council Tax of £295.00 for 2015-16 in the London boroughs, and £80.48 in the area of the Common Council of the City of London. These Band D amounts are provisionally estimated to generate £776.3 million in council tax revenues although this sum will change once the council tax bases and collection fund surpluses for 2015-16 and 2014-15 respectively are confirmed by billing authorities at the end of January 2015.

### Capital Spending

- 7.4 The Mayor published his Draft Capital Spending Plan for consultation on 19 December 2014, as part of the Budget Consultation Document. Proposed capital spending across the Group totals £5.3 billion, the largest elements relating to housing and transport investment by the GLA and TfL. The estimated capital financing cost of the total Capital Programme is £619.2 million in 2015-16. Details are set out in section 8 and the relevant Appendices of Part II to the draft budget. The proposed programme of capital spending is reflected fully in these budget proposals.

### Council Tax Referendums

- 7.5 Under chapter 4ZA of the Local Government Finance Act 1992, (replacing the previous “council tax capping” regime) there is provision for the holding of referendums by billing authorities if either of the two calculations of the GLA’s relevant basic amount of council tax (for the City of London and for elsewhere in Greater London) is “excessive” under principles proposed by the Secretary of State and approved by the House of Commons for the forthcoming financial year:
- the excessiveness principles for 2015-16 are likely to be approved by the House of Commons in early February 2015. The Secretary of State has announced that a council tax increase will be excessive in 2015-16 if it is 2 per cent or more. The GLA is under a duty to determine whether either of its two “relevant basic amounts of council tax” is excessive with regard to those approved principles;
  - the excessiveness principles refer, in the context of the GLA, to the two relevant basic amounts of council tax (based on Band D) and these must be determined as part of the budget calculations: (1) the “adjusted” relevant basic amount of council tax which applies throughout Greater London outside the City of London (i.e. in the 32 London boroughs), and reflects that area’s funding of MOPAC; and (2) the “unadjusted” relevant basic amount of council tax which applies within the area of the City of London only, and reflects the fact that local council taxpayers in the City do not fund MOPAC (as the City of London Police provides local policing services there using funding provided by the City Corporation including from its local council tax);
  - if either or both figures do not comply with the excessiveness principles then the component and consolidated budgets, and council tax requirements that give rise to them, are considered excessive, with the consequences set out below;
  - if the final draft budget does not comply with these “excessiveness principles” then the Mayor must prepare and present a “substitute final draft budget” alongside the (excessive) final draft budget prepared and presented to the Assembly;
  - in the event that the final draft budget is approved (with or without amendment) in a form where it is “excessive” then the Assembly must also approve the (non-excessive) substitute final draft budget;
  - both budgets are then submitted to a referendum of local government electors across the whole of Greater London irrespective of which of the two relevant basic amount of council tax calculations is excessive; and
  - such a referendum is normally to be held on the first Thursday in May, and from the point when the GLA precept is issued to the result of the referendum, billing authorities across Greater London (the boroughs) are not permitted to pay any precept to the GLA. Any referendum on an excessive council tax increase for the GLA in respect of its 2015-16 budget would take place therefore on the same day as the General Election scheduled for Thursday 7<sup>th</sup> May.

### 8 Conclusions

- 8.1 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.
- 8.2 In commending the budget proposals to the Assembly the Mayor believes that Londoners recognise and support his plans to reduce the GLA Group's share of the Council Tax for the fourth year running while continuing to maintain and invest in public services in London.
- 8.3 The Mayor is satisfied that he has weighed respective interests fairly and that his reduction in the Council Tax will not adversely affect 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.

### 9 Recommendations

- 9.1 On the basis of the information set out in this statement and accompanying documents, that the Assembly approves the Mayor's final draft consolidated council tax requirement for the GLA and the functional bodies of **£776,318,766** as contained in **Annex A**. This is after applying the GLA's share of the net surplus or deficit on the collection funds of the 33 London billing authorities (assumed at this stage to be a £5.6 million surplus in respect of council tax and a £40.2 million deficit in respect of retained business rates) which falls within the component budget for the Mayor of London for the purpose of these statutory calculations under sections 85 to 88 of the GLA Act.
- 9.2 This draft consolidated council tax requirement is made up as follows:

<i>Constituent body</i>	<i>Component council tax requirement</i>
Mayor of London	£65,347,412
London Assembly	£2,615,000
Mayor's Office for Policing and Crime	£564,166,354
London Fire and Emergency Planning Authority	£138,190,000
Transport for London	£6,000,000
London Legacy Development Corporation	£NIL
<b>Total Consolidated Council Tax Requirement</b>	<b>£776,318,766</b>

#### **Boris Johnson**

Mayor of London

## Draft component and consolidated council tax requirements 2015-16

## Greater London Authority: Mayor of London ("Mayor") draft component budget

Line	Sum	Description
1	£704,700,000	estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act
2	£4,800,000	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	£40,220,481	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	<b>£749,720,481</b>	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	-£479,600,000	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	-£14,500,000	estimate of the Mayor's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
8	-£41,733,950	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	-£76,579,119	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	-£5,600,000	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	<b>-£618,013,069</b>	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	-£66,360,000	estimate of Mayor's reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act
13	<b>-£684,373,069</b>	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	<b>£65,347,412</b>	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 2015-16 is £65,347,412**

## Draft Consolidated Budget for 2015-16

### Greater London Authority: London Assembly (“Assembly”) draft component budget

Line	Sum	Description
15	£7,610,000	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	<b>£7,610,000</b>	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	-£400,000	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	-£2,541,000	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	-£2,054,000	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	<b>-£4,995,000</b>	aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (line (20) + (21) + (22) + (23)+ (24))
26	£0	estimate of Assembly’s reserves to be used in meeting amounts in lines 19 above under s85(5)(b) of the GLA Act
27	<b>-£4,995,000</b>	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	<b>£2,615,000</b>	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 2015-16 is £2,615,000.**

## Draft Consolidated Budget for 2015-16

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

Line	Sum	Description
29	£3,159,766,354	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	<b>£3,159,766,354</b>	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	-£261,900,000	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	-£483,400,000	estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£1,794,200,000	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	£0	estimate of the MOPAC's income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
38	£0	estimate of MOPAC's share of any net collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act
39	<b>-£2,539,500,000</b>	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	-£56,100,000	estimate of MOPAC's reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act
41	<b>-£2,595,600,000</b>	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	<b>£564,166,354</b>	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 2015-16 is £564,166,354.**

## Draft Consolidated Budget for 2015-16

### London Fire and Emergency Planning Authority (“LFEPA”) draft component budget

Line	Sum	Description
43	£423,651,726	estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the GLA Act
44	£0	estimated allowance for contingencies for LFEPA under s85(4)(b) of the GLA Act
45	£0	estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the GLA Act
46	£0	estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the GLA Act
47	<b>£423,651,726</b>	aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFEPA (lines (43) + (44) + (45) + (46) above)
48	-£32,150,000	estimate of LFEPA’s income not in respect of Government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act
49	-£9,100,000	estimate of LFEPA’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
50	-£129,420,000	estimate of LFEPA’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act
51	-£114,741,726	estimate of LFEPA’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act
52	£0	estimate of LFEPA’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	<b>-£285,411,726</b>	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	-£50,000	estimate of LFEPA’s reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act
55	<b>-£285,461,726</b>	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFEPA (lines (53) + (54) above)
56	<b>£138,190,000</b>	the component council tax requirement for LFEPA (being the amount by which the aggregate at (47) above exceeds the aggregate at (55) above calculated in accordance with section 85(6) of the GLA Act)

**The draft component council tax requirement for LFEPA for 2015-16 is £138,190,000.**

## Draft Consolidated Budget for 2015-16

### Transport for London (“TfL”) draft component budget

Line	Sum	Description
57	£7,066,100,000	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	<b>£7,066,100,000</b>	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	-£5,508,381,533	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	-£29,200,000	estimate of TfL’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
64	-£675,000,000	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	-£847,518,467	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	<b>-£7,060,100,000</b>	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	<b>-£7,060,100,000</b>	aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68))
70	<b>£6,000,000</b>	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 2015-16 is £6,000,000.**

## Draft Consolidated Budget for 2015-16

### London Legacy Development Company (“LLDC”) draft component budget

Line	Sum	Description
71	£37,300,000	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	<b>£37,300,000</b>	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	-£26,800,000	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	£0	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	<b>£26,800,000</b>	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	-£10,500,000	estimate of LLDC’s reserves to be used in meeting amounts in line 75 above under s85(5)(b) of the GLA Act
83	<b>-£37,300,000</b>	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (81) + (82) above)
84	<b>£0</b>	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 2015-16 is £0.**

## Draft Consolidated Budget for 2015-16

**Greater London Authority (“GLA”) 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 and Emergency Planning Authority , Transport for London and the London Legacy Development Corporation.**

Line		Description
85	<b>£776,318,766</b>	the GLA’s consolidated council tax requirement (the sum of the amounts in lines (14) + (28) + (42) + (56) +(70) +(84) calculated in accordance with section 85(8) of the GLA Act)

**The draft consolidated council tax requirement for the GLA for 2015-16 is £776,318,766**

## Aggregate GLA Group budget for 2015-16

## Estimated Expenditure

<b>£</b>	<b>GLA Mayor</b>	<b>GLA Assembly</b>	<b>MOPAC</b>	<b>LFEPa</b>	<b>TfL</b>	<b>LLDC</b>	<b>Total</b>
Estimated expenditure	£704,700,000	£7,610,000	£3,159,766,354	£423,651,726	£7,066,100,000	£37,300,000	£11,399,128,080
Estimated allowance for contingencies	£4,800,000	£0	£0	£0	£0	£0	£4,800,000
Estimated reserves to be raised for meeting future expenditure	£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	£40,220,481	£0	£0	£0	£0	£0	£40,220,481
<b>Estimated total expenditure</b>	<b>£749,720,481</b>	<b>£7,610,000</b>	<b>£3,159,766,354</b>	<b>£423,651,726</b>	<b>£7,066,100,000</b>	<b>£37,300,000</b>	<b>£11,444,148,561</b>

## Estimated Income and Calculation of Council Tax Requirement

£	GLA Mayor	GLA Assembly	MOPAC	LFEPa	TfL	LLDC	Total
Estimate of non government grant income	-£479,600,000	-£400,000	-£261,900,000	-£32,150,000	-£5,508,381,533	-£26,800,000	-£6,309,231,533
Estimate of specific government grant income	-£14,500,000	£0	-£483,400,000	-£9,100,000	-£29,200,000	£0	-£536,200,000
Estimate of general government grant income	-£41,733,950	-£2,541,000	-£1,794,200,000	-£129,420,000	-£675,000,000	£0	-£2,642,894,950
Estimate of Retained Business Rates income	-£76,579,119	-£2,054,000	£0	-£114,741,726	-£847,518,467	£0	-£1,040,893,312
Collection fund surplus for council tax	-£5,600,000	£0	£0	£0	-£0	£0	-£5,600,000
<b>Estimated total income before use of reserves</b>	<b>-£618,013,069</b>	<b>-£4,995,000</b>	<b>-£2,539,500,000</b>	<b>-£285,411,726</b>	<b>-£7,060,100,000</b>	<b>£26,800,000</b>	<b>-£10,534,819,795</b>
Estimate of reserves to be used	-£66,360,000	£0	-£56,100,000	-£50,000	£0	-£10,500,000	-£133,010,000
<b>Estimated total income after use of reserves</b>	<b>-£684,373,069</b>	<b>-£4,995,000</b>	<b>-£2,595,600,000</b>	<b>-£285,461,726</b>	<b>-£7,060,100,000</b>	<b>-£37,300,000</b>	<b>-£10,667,829,795</b>
<b>Council tax requirement</b>	<b>£65,347,412</b>	<b>£2,615,000</b>	<b>£564,166,354</b>	<b>£138,190,000</b>	<b>£6,000,000</b>	<b>£0</b>	<b>£776,318,766</b>
<b>COUNCIL TAXBASE</b>	<b>2,636,088.61</b>	<b>2,636,088.61</b>	<b>2,629,900.96</b>	<b>2,636,088.61</b>	<b>2,636,088.61</b>	<b>2,636,088.61</b>	
<b>BAND D COUNCIL TAX</b>	<b>£24.79</b>	<b>£0.99</b>	<b>£214.52</b>	<b>£52.42</b>	<b>£2.28</b>	<b>£0.00</b>	<b>£295.00</b>