

# MAYOR OF LONDON

**Gareth Bacon AM**  
Chairman of the Budget and  
Performance Committee  
City Hall

**Our ref:**

**Date:** 16<sup>th</sup> December 2016

Dear Gareth

## **Budget and Performance Committee meeting held on 24 November 2016**

Thank you for your letter of 30 November.

My responses to your Committee's questions are set out below.

### *The result of the Mayor's decision concerning publication of the budget submissions he received*

I have reviewed the contents of the private budget challenge papers submitted by the functional bodies and, having discussed this with the Mayor, we remain of the view that they should remain as private advice to the Mayor for the reasons set out in the Mayor's earlier letter to Assembly Members.

### *Details of transitional relief relating to the review of business rates for larger businesses*

Please see Appendix 1.

### *A reconciliation and explanation of the differences between the 2016-17 Budget as it was in March 2016 and the figures for 2016-17 as set out in the Draft GLA Budget 2017-18*

Please see Appendix 2.

### *Key performance indicators relating to the #LondonIsOpen campaign*

Please see Appendix 3.

*The percentage increase in the proposed External Affairs budget*

While there is expected to be an increase of £2.4m for the 2017/18 budget, in net terms this represents a reduction of 6% when compared with the expected outturn for 2016/17. The original base budget for 2016/17 was increased as a result of the addition of a number of projects for completion during 2016/17.

*The current level of income the London Legacy Development Corporation generates through commercial activity*

The total commercial income generated by LLDC in 2016-17 is expected to be £7.7m. Of this total, £6.5m is trading income which is netted off against trading expenses of £8m and is therefore included within net expenditure as part of the LLDC budget.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Bellamy', with a stylized flourish at the end.

**David Bellamy**  
Chief of Staff

## Transitional relief relating to the review of business rates for larger businesses

Compared with the original consultation proposals, the Government has reduced the planned 45% cap on maximum increases in rates bills in 2017-18 to 42% - a change which will benefit ratepayers of large properties where the rateable value (RV) increase exceeds 50%. A more material change has been made in 2018-19 with the original 50% cap on further increases in 2018-19 for large properties being reduced to 32% - a change benefitting larger properties with an RV increase above 80%. The rateable value thresholds for large properties remains at £100,000 and there are no changes to the scheme for small and medium sized properties who see any increases in their bills phased in much more slowly in percentage terms.

The Government has estimated that ratepayers in London will save a net £90m in lower business rates bills over the next 5 years as a result of the revised scheme, compared with its earlier consultation proposals, including a saving of £45m in 2017-18 and £30m in 2018-19. This has been financed by phasing in the reductions in bills for large ratepayers in the rest of England marginally more slowly post 2019-20.

Several thousand large ratepayers in the capital – predominantly in inner London boroughs – will still be facing increases in bills of up to 42% before inflation in 2017-18 with some facing further rises of up to 32% in 2018-19. In outer London relative increases in bills are generally much lower on average – and in a limited number of outer boroughs average bills will actually fall.

The regulations to approve the scheme will be laid before parliament shortly. The scheme must be approved by 1 January 2017.

The final transitional scheme was confirmed alongside the autumn statement and is set out in the table below. Changes are highlighted in bold.

		2017-18	2018-19	2019-20	2020-21	2021-22
Upwards cap	Small (RV below £28,000)	5.00%	7.50%	10.00%	15.00%	15.00%
	Medium (RV £28,000 to £100,000)	12.50%	17.50%	20.00%	25.00%	25.00%
	Large (RV over £100,000)	<b>42.00%</b>	<b>32.00%</b>	<b>49.00%</b>	16.00%	<b>6.00%</b>
Downwards cap	Small (RV below £28,000)	20.00%	30.00%	35.00%	55.00%	55.00%
	Medium (RV £28,000 to £100,000)	10.00%	15.00%	20.00%	25.00%	25.00%
	Large (RV over £100,000)	4.10%	4.60%	<b>5.90%</b>	5.80%	<b>4.80%</b>

**GLA budget 2016/17: changes between MD1629 (March 2016) & 24 November 2016 submission to the Budget and Performance Committee**

	£000's
<b>Development, Enterprise and Environment</b>	
<b>Original budget</b>	<b>26,429</b>
Transfer of European Social Fund Unit from C&I	687
Reverse carry forwards approved in MD1629 (see Note below)	(11,298)
Approved budget carry forwards from 2015-16	1,505
Transfer training budget from Resources	20
LEP budget adjustment	(500)
Transfer from DEE reserves for Smart Cities and Planning	381
London Finance Commission	50
Pre planning application income	(158)
<b>Revised Budget as per 24 November Committee report</b>	<b>17, 116</b>
<b>Housing and Land</b>	
<b>Original budget</b>	<b>21,632</b>
Transfer training budget from Resources	11
Receipts in advance adjustment	26
Approved budget carry forwards from 2015-16	1,545
<b>Revised Budget as per 24 November Committee report</b>	<b>23,214</b>
<b>Communities and Intelligence</b>	
<b>Original budget</b>	<b>25,180</b>
Transfer of European Social Fund Unit budget to DEE	(687)
Reverse carry forwards approved in MD1629	(853)
Approved budget carry forwards from 2015-16	833
Transfer training budget from Resources	15
Staffing budget adjustment	18
Air quality consultation	45
English integration grant	(111)
Team London budget adjustment	(250)
Receipts in advance adjustment	42
<b>Revised Budget as per 24 November Committee report</b>	<b>24,232</b>
<b>External Affairs</b>	
<b>Original budget</b>	<b>7,063</b>
London is Open	150
Approved budget carry forwards from 2015-16	17
Fixed term post	29
GB Olympic homecoming	500
Transfer training budget from Resources	9
<b>Revised Budget as per 24 November Committee report</b>	<b>7,768</b>
<b>Resources</b>	
<b>Original budget</b>	<b>28,009</b>
Transfer strategy budget to CMT	(750)
Transfer training budget to Directorates	(60)
Approved budget carry forwards from 2015-16	302

Addition to HR training budget	50
Executive search services for TfL board	50
LEP budget adjustment	500
Dagenham Plastics	6
<b>Revised Budget as per 24 November Committee report</b>	<b>28,107</b>
<b>Corporate Management Team</b>	
<b>Elections</b>	
<b>Original budget</b>	<b>10,655</b>
Transfer from Elections Reserve	4,099
Approved budget carry forward from 2015-16	884
<b>Revised Budget as per 24 November Committee report</b>	<b>15,638</b>
<b>Mayor's Office</b>	
<b>Original budget</b>	<b>4,220</b>
Transfer training budget from Resources	5
<b>Revised Budget as per 24 November Committee report</b>	<b>4,225</b>
<b>Third parties and contingency</b>	
<b>Original budget</b>	<b>89,431</b>
Museum of London: approved budget carry forwards from 2015-16	423
London & Partners: approved budget carry forwards from 2015-16	431
LLDC: transfer from earmarked reserve	7,300
OPDC: reduction in budget for budget carry request not agreed	(455)
Contingency reserve drawings	(835)
<b>Revised Budget as per 24 November Committee report</b>	<b>96,295</b>

## Summary

<b>Changes</b>	
<b>Original GLA net services budget</b>	<b>220,916</b>
Development, Enterprise and Environment	(9,313)
Housing and Land	1,582
Communities and Intelligence	(948)
External Affairs	705
Resources	98
Corporate Management Team	750
Elections	4,983
Mayor's Office	5
Museum of London	423
London and Partners	431
London Legacy Development Corporation	7,300
Old Oak and Park Royal MDC	(455)
Contingency	(835)
<b>Revised GLA net services budget as per 24 November Committee report</b>	<b>225,642</b>

Note: The majority of the DEE carry forward requests were in respect of slippage on its regeneration programmes mainly funded from external income received in advance (Growing Places Fund and Further Education Capital). Details of the re-profiled spend on individual projects are set out in the Quarter two Finance and Performance Report on the Agenda of the Budget Monitoring Sub-Committee meeting of 14 December 2016.

## Key performance indicators: London Is Open campaign

The overall objectives of the London Is Open campaign are:

- To show Londoners and people everywhere that London remains entrepreneurial, international, and full of creativity and opportunities, while reassuring the more than one million foreign nationals who live in London that they will always be welcome;
- To show that London is united and open to business and investment;
- To show that London is open to tourism and visitors following the EU referendum; and
- To help spread the word that London is full of creativity and invite businesses, cultural and educational institutions to show their support for the London Is Open message via social media.

Since launching the campaign in July, each month has had an industry focus that has a direct effect on the capital's business and economy, as well as London's cultural scene. This has included focusing on London business and technology sector, international promotion, foreign investment and trade and in the cultural sector – sport, art, theatre, film, music and dance. Support has included featuring London Is Open films, social media support, branding at venues and events and photographs.

Indicator	Campaign target	Results so far (as at 13/12)	% of target
Social media posts with LIO hashtag	200,000	160,202	80% of target, expecting to reach target by campaign end
Video views – GLA owned channels	100,000	1,100,694	1,100% above target
@mayoroflondon engagement rates	2% average	2.6% average	30% above target
London.gov unique page views	25,000	16,584	66% of target

In addition to the above KPIs, the GLA is also tracking the wider performance of the campaign. Key highlights include:

- Across all social media channels (not just those owned by the GLA) there have been over 4.5 million video views;
- There have been 618 pieces of press coverage about the campaign across over 270 different publications;
- A total of £13,670 has been spent on print and distribution of posters across the TfL network – the space utilised (which includes some unsold commercial TfL space) has a media value of £1,317,039;
- Over 200 public figures have engaged with the campaign;

- Over 150 businesses have acted as ambassadors for the London Is Open campaign;
- A trade delegation of 30 companies joined the Mayor of London on his visit to Chicago and New York as part of the Mayor's international business programme;
- The Mayor also met with leading Indian foreign investment companies to discuss expanding their links with the capital and show that London is open; and
- The London Is Open campaign headlined at the launch event for London Tech Week 2017 which was held for over 200 leaders and innovators from the London tech scene.

