

REQUEST FOR MAYORAL DECISION – MD1321

Title: GLA Group Capital Spending Plan for 2014-15

Executive Summary:

The Mayor is required under sections 122 and 123 of the Greater London Authority Act 1999 (the “GLA Act”) to prepare a capital spending plan for the following financial year for the four functional bodies (LFEPA, MOPAC, LLDC and TfL) and to send it to the Secretary of State for Communities and Local Government, London Assembly and the functional bodies before 28 February. For completeness, the capital spending plan for the core Greater London Authority’s expenditure, is also included within this approval, so that the proposed expenditure for the entire GLA group – as it will be constituted in 2014-15 – is presented in one place.

The draft capital spending plan for 2014-15 was issued for consultation on 20 December 2013 alongside the Mayor’s draft consolidated budget. Revised versions of the capital spending plan were presented in the Mayor’s draft and final draft consolidated budget for 2014-15 which was considered by the Assembly on 29 January and 14 February.

A copy of the final capital spending plan for 2014-15 will be placed on the GLA website at:
<http://www.london.gov.uk/who-runs-london/greater-london-authority/budget-2014-15>.

Decision:

The Mayor is requested:

- (a) To approve the Capital Spending Plan for 2014-15 for the GLA Group, and
- (b) To note that the approved plan will be sent to the Secretary of State Communities and Local Government, the London Assembly and each functional body before 28 February 2014.

Mayor of London

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for elected Members of the Authority. Any such interests are recorded below.

The above request has my approval.

Signature

Date

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor is required to prepare a capital spending plan for the subsequent financial year for the functional bodies and to send it to the Secretary of State (for Communities and Local Government) and Assembly before 28 February in line with section 123 of the GLA Act. This report seeks the Mayor's formal approval for the final capital spending plan for 2014-15.

2. Issues for consideration

- 2.1 The draft capital spending plan for 2014-15 was issued for consultation on 20 December 2013 alongside the Mayor's draft consolidated budget. Responses to the consultation budget were received from the Budget and Performance Committee of the London Assembly, several London boroughs, business representative bodies and members of the public. Revised figures were presented for the GLA and LFEPA in the final draft consolidated budget considered by the Assembly on 14 February and in the case of the former have been updated to reflect the impact of the changes agreed for the Mayor's consolidated revenue budget.
- 2.2 The final plan is therefore consistent with the figures presented in section 10 of the final draft consolidated budget – albeit that an additional £9 million has been added for expenditure on the Outer London Fund in line with the decisions made on the allocation of revenues from council taxbase buoyancy in the approved revenue budget.
- 2.3 The borrowing limits and statutory prudential indicators for 2014-15 which the Mayor is required to set for the GLA and functional bodies – in order to illustrate that their proposed capital plans are prudent, affordable and represent value for money – will be submitted for approval by the Mayor before the end of March 2014.
- 2.4 A copy of the final capital spending plan will be placed on the GLA website at:
<http://www.london.gov.uk/mayor-assembly/gla/spending-money-wisely/budget-expenditure-charges/the-mayors-budget-for-2014-15>

Links to Strategic Plan, Consultation Arrangements and Risks

- 2.5 There are no implications in relation to the Strategic Plan or consultation requirements arising from approval of the 2014-15 Capital Spending Plan which must be published and submitted to the Secretary of State by 28 February 2014 in accordance with the GLA Act.
- 2.6 The Mayor consulted on the draft capital spending plan with the Assembly, London boroughs and other key stakeholders between 20 December and 15 January as required under the GLA Act and has considered these before finalising his proposals. Of those responding the Assembly, two London boroughs and the London Chamber of Commerce and Industry (LCCI) addressed items of specific relevance to the Capital Spending Plan.

- 2.7 The LCCI expressed support for the Mayor's planned investment in transport including Crossrail, the Northern line extension to Battersea and the tube upgrade but stressed the need for more low cost housing to be delivered and for the construction of a new bridge across the Thames in east London. One of the boroughs responding expressed support for the continued investment in Crossrail and for additional investment to be provided through the Outer London and Mayor's Regeneration funds. The other borough expressed support for additional investment in affordable housing. The Assembly requested that the Mayor clarify his strategy for disposing of surplus sites across the group and the extent to which the Mayor's Affordable Housing programme might be underspend by March 2015. The Mayor has noted these comments and taken them into account before finalising his plan. The Mayor has, for example, included an additional £9 million to be provided through the Outer London fund compared to the draft plan. The Mayor also responded to the Assembly's comments in a letter to the Chair of the Budget and Performance Committee on 27 January.
- 2.8 There are no further implications for risk management as these have been addressed as part of the wider budgetary process.

3. Financial Comments

- 3.1 These are highlighted so far as they are relevant in the Capital Spending Plan itself.

4. Legal Comments

- 4.1 The Mayor is required, under section 122 of the GLA Act, each financial year to prepare a capital spending plan (the Plan) for each functional body of the GLA Group which for 2014-15 will be: the Mayor's Office for Policing and Crime (MOPAC); the London Fire and Emergency Planning Authority (LFEPA), Transport for London (TfL) and the London Legacy Development Corporation (LLDC) which became a functional body on 1 April 2012. For completeness the capital spending plans for the core Greater London Authority's expenditure are also included within this final plan so that the proposed capital expenditure for the entire GLA Group is presented in one place. Section 122 sets out the required contents of Sections A to D of the Plan in terms of estimates of receipts, borrowing and expenditure, and this appears in Table 1 of the Plan. In preparing the Plan the Mayor may take into account such factors as appear to him to be appropriate and the other matters listed in section 124.
- 4.2 The Mayor fulfilled the requirement to consult the Assembly and each functional body by 15 January 2014. He must have regard to their comments (if any) before determining the comments of the final Plan. These are set out in paragraph 2.5 above. The final Plan must be approved before 28 February, when copies must be sent to the Secretary of State, the Assembly and functional bodies, and a copy kept at City Hall for inspection by the public for the next 6 years.

5 Investment and Performance Board

- 5.1 This decision has not been considered by the Investment and Performance Board as it does not relate to the approval of a specific GLA programme or project. However the Mayor's capital spending has been consulted on and approved in line with the statutory process set out in sections 122 to 123 of the GLA Act.

6 Background/supporting papers

The following documents were referred to in the preparation of the draft Capital Spending Plan:

- Section 8 and Appendices A to E of The Mayor of London's Draft Capital Spending Plan for 2014-15 issued for consultation as part of the Mayor's draft consultation budget issued on 20 December 2013
- Section 8 and Appendices A to E of the Mayor of London's Final draft consolidated budget for 2014-15 presented to the London Assembly on 14 February 2014
- 2014-15 Budget Submissions for MOPAC, LFEPA, TfL and LLDC

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the GLA website within 1 working day of approval. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? **No**

If yes, for what reason:

Until what date:

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

	<i>Tick to indicate approval</i>
Drafting officer: Martin Mitchell, Finance Manager, has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.	✓
Assistant Director/Head of Service: David Gallie has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.	✓
Sponsoring director Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
Mayoral advisor Sir Edward Lister, Chief of Staff and Deputy Mayor for Planning, has been consulted about the proposal and agrees the recommendations.	✓
Legal and Finance advice The Public and Regulatory Law team has commented on this proposal. The proposal originates from the Finance team.	✓

OFFICER APPROVAL

Executive Director, Resources	
I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.	
Signature	Date

Chief of Staff	
I am satisfied that this is an appropriate request to be submitted to the Mayor	
Signature	Date