

Report to the Assembly on the Mayor's Draft Consolidated Budget for 2015 – 2016

Report to: London Assembly

Date: 28 January 2015

Report of: Liberal Democrat Group

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PART A: INTRODUCTION & COMMENTARY¹

Whilst the beginning of 2015 has seen further evidence of a recovery in the UK economy – with unemployment falling and wages now rising above the cost of living – there is a growing consensus that if we are to avoid repeating the economic mistakes of the past, future growth must be more balanced and sustainable, not just financially but environmentally too.

With London's population set to surpass its previous peak (of 8.6 million inhabitants) within the coming weeks, there is a growing urgency for policy makers to address the social and environmental pressures that will emerge as our population expands. Put simply, the challenge is to protect our environment and improve Londoners' quality of life while at the same time growing our economy and providing the homes our city so desperately needs.

Our Liberal Democrat budget amendment seeks to meet this challenge head-on by **freezing the Greater London Authority's share of council tax** and using the proceeds to fund a package of bold and ambitious measures to tackle the most pressing environmental issues facing our city in order to ensure London remains one of the most successful big cities in the world.

Improving air quality

It remains a scandal that over 4,000 Londoners die prematurely every year due to the poor quality of our city's air. Worse still, there is growing evidence to suggest that the problem hits the poorest and most vulnerable hardest, with children and the elderly among those most affected.

¹ This report is made up of two Parts, A and B. The text in Part A does not form part of the formal budget amendments, which are set out in Part B.

While the Mayor seems content to wait until 2020 before taking any action, we believe measures are needed urgently to improve air quality across the city and so avoid the prospect of substantial fines being passed down to the GLA under the terms of the Localism Act (2011). Our budget therefore introduces a modest charge (£2.50) on diesel vehicles entering central London, enabling Transport for London (TfL) to influence purchasing and driving behaviour far sooner than currently planned while delivering a measurable benefit to the health and quality of life of Londoners.

We would use the additional revenue generated through this scheme to fund additional participation in the *Cleaner Air for Schools* programme - giving every child in London the chance to learn about the simple steps they can take to reduce their exposure to air pollution – as well as establishing a programme to retrofit all primary school buildings sited in pollution hotspots with air filtration systems.

Supporting green technology

When first announcing his plan for an Ultra Low Emission Zone in central London, the Mayor was clear that his intention was “to restrict central London [from 2020 onwards] only to those vehicles that have zero or near-zero tailpipe emissions” Since then, the Mayor has dropped this commitment, putting the health of Londoners at risk and placing London years behind the best practice of other major cities.

By contrast, we continue to support the Mayor’s original aim and believe a stronger emissions requirement would produce greater emission savings and health benefits. We recognise, however, that the current lack of availability of zero emission taxis, and the rapid charging infrastructure required to operate them effectively, creates a particular problem for London’s 25,000 taxi drivers whose livelihoods depend on the availability of suitable vehicles. Our budget therefore allows for TfL to procure a fleet of zero-emission capable taxis and lease them directly to taxi drivers, in much the same way as it has already done with the new Routemaster buses and London’s bus operating companies.

Such a scheme would enable London’s taxi fleet to be replaced far more rapidly than by expecting drivers to buy vehicles individually and would give certainty to manufacturers as well as raising the profile of new cleaner technologies - positioning London firmly as a leader in the ‘low emission’ field.

Tackling road congestion

As our city continues to grow, so the pressures and demands facing our road network continue to increase. Although the number of vehicles entering central London has fallen in recent years, congestion has increased, due in large part to the reallocation of roadspace to support walking, cycling and other improvements to our streets. A recent study published by the GLA found that “London is fast approaching the limits of what can be achieved via reallocation alone”, adding that “if reallocation continues without mitigation, congestion [will] increase significantly further.”

To help meet this challenge we would introduce a new Workplace Parking Levy (WPL) in central London in addition to a smarter form of congestion charging designed to reflect demand more accurately. We would use the additional revenue generated through both of these schemes to support a step change in the

proportion of journeys being made by sustainable modes – such as walking and cycling – as well as funding a package of targeted fares reductions to support those using our public transport network.

Improving energy efficiency

London still has some of the most energy inefficient buildings in Europe, with around one in four homes still below the official ‘Decent Homes’ standard. On average, private rented sector homes in London are significantly less energy efficient than other tenures – adding hundreds of pounds to tenants’ energy bills every year, producing thousands of tonnes of unnecessary carbon dioxide across London and placing many in fuel poverty. Given the huge potential for improvement, the case for investing in London’s private rented sector is compelling.

Our budget therefore includes a plan to identify all those properties that could benefit from the government’s Green Deal energy efficiency scheme and offer free home energy assessments to landlords, ensuring no up-front cost to property owners while creating thousands of additional jobs in the UK’s home insulation sector.

Providing affordable homes for Londoners

The shortage of affordable housing in London remains one of the most pressing issues facing our city, with over 500,000 people currently languishing on housing waiting lists. For decades London has failed to build enough new homes, driving up rents and putting property prices well beyond the reach of most ordinary Londoners. Rising property prices are bad for London’s economy too, since businesses increasingly struggle to find workers who can afford to live in the city. This must change if London is to retain its competitive edge on the international stage.

While the Mayor continues to stand idly by, looking forward to the day when government may grant him control over Stamp Duty receipts to fund additional affordable housing initiatives, this Liberal Democrat budget amendment shows how the GLA could itself fund a large scale home-building initiative by borrowing against its existing revenue budget – stimulating demand across the whole economy at the same time as addressing the shortage of affordable homes and guarding against the risk of a housing bubble.

In future years we propose that the extra resources needed to fund our housing investment programme could be found by freezing the GLA’s council tax precept rather than making the cuts proposed by the Mayor.

The Mayor has already proposed a reduction in the Band D precept in 2016/17 of £19, of which £12 would arise from a planned reduction in the GLA’s contribution to the cost of the 2012 Olympic and Paralympic Games. It is assumed that the remaining element (£8) of the ‘Olympic precept’ would then be removed in 2017-18 when London’s commitment to contribute £625 million to the public sector funding package for Games would have been achieved.

However, while the need to finance London’s Olympic Games may have passed, the social and economic imperative to address the current shortage of affordable housing in London remains and, we believe, more than justifies freezing the GLA’s share of council tax at its current level – in effect creating a new ‘housing precept’.

A sustained freeze over the next three years would release an additional £10.5m in 2015/16, £60.6m in 2016/17, and £94.9m from 2017/18 onwards – providing the long-term revenue stream needed to finance a large-scale programme of home building.

This once in a generation chance to solve London's housing crisis and secure the future of our city must not be squandered by a Mayor more concerned with his future career prospects than providing the critical infrastructure London requires.

Restoring Neighborhood Policing and safeguarding children

As the remit of neighbourhood policing teams has broadened to include investigate work and other tasks, so the number of dedicated safer neighbourhood officers has been reduced – resulting in a less visible street presence, lower levels of community engagement and a reduction in the amount of crime prevention work undertaken. This gradual erosion of neighbourhood policing must stop if the Metropolitan Police are to remain responsive to the concerns of our local communities. Our budget seeks to restore this crucial link by funding an additional, dedicated PCSO for every ward in London and reinstating dedicated ward Safer Neighbourhood Teams (SNTs).

At the same time we would put additional resources into the units responsible for investigating allegations of rape and sexual assault against children to reflect the increase in the number of cases being reported in recent years.

While significant improvements have been in the Met's arrangements to protect our children and young people, recent high profile child abuse cases remind us just how important it is that Londoners' have confidence in the Met's approach to safeguarding children. Our budget therefore provides additional resources to undertake child sexual exploitation (CSE) training across the Met, ensuring officers are better able to recognise and respond to different forms of CSE.

Childcare and other priorities

Lastly our budget offers solutions to some of London's other pressing challenges: providing wraparound childcare for working parents; creating a one-stop-shop for construction apprentices; linking every secondary school with a local credit union; speeding up work to improve cycle safety; developing plans for a new river crossing and rolling out a programme of selective licensing across London to tackle rogue landlords in the private rented sector.

Greater London Authority (GLA): Mayor of London

| Increased expenditure | Additional cost 2015/16 | <i>Explanatory notes</i> |
|--|------------------------------------|--------------------------|
| <p>‘Homes for London’ Fund We would create a new £2 billion housing investment fund – more than doubling the number of affordable homes delivered across London.</p> <p>The shortage of affordable housing in London remains the gravest crisis facing our city, with rents soaring and house prices now well beyond the reach of most ordinary Londoners. This must change if we are to meet the challenge of accommodating a growing population.</p> | £100.000m | Note 1 |
| <p>‘Homes for London’ Team We would increase the number of staff working in the Housing and Land directorate to oversee the investment of our new <i>Homes for London</i> fund.</p> <p>Whilst the GLA’s Housing and Land Directorate has proved capable of managing the Mayor’s current housing programme, additional staff would be required to support the delivery of affordable homes on the scale envisaged through our new fund.</p> | £0.250m | Note 2 |
| <p>Tackling Rogue Landlords We would roll out ‘selective licensing’ across Greater London, ensuring every borough uses the full range of enforcement powers at its disposal to tackle the problem of rogue landlords.</p> <p>The last two decades have seen huge growth in the number of Londoners living in the private rented sector, with one in four now renting privately. Yet standards of property maintenance remain highly variable, with many tenants having to suffer poor or unsafe living conditions at the mercy of rogue landlords.</p> <p>Selective licensing offers a powerful tool for local authorities to control the behaviour of private landlords while also improving management practices across the sector, making renting a more viable option in the longer term too.</p> | £6.400m | Note 3 |
| <p>Cutting energy bills for tenants We would ensure that minimum energy efficiency standards are achieved across the private rented sector – in accordance with the Energy Act (2011) – helping thousands of Londoners to achieve permanent savings on their energy bills.</p> <p>To do this we would identify those properties in the private rented sector that could benefit from the Government’s Green Deal energy efficiency scheme and offer free home energy assessments to landlords, ensuring no up-front costs to property owners while creating thousands of additional jobs in the UK’s home insulation sector.</p> | £4.327m | Note 4 |

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| <p>2000 additional construction qualifications We would fund 2,000 additional qualifications across the construction sector by awarding grants to employers who offer their workforce the chance to gain a nationally recognised qualification.</p> <p>The shortage of construction skills in London continues to be a challenge for industry and as demand for construction increases there is an urgent need to improve both the quantity and quality of training on offer. If we are to meet the future infrastructure requirements of our city, then we must act now to widen the skills base across our construction sector.</p> | £0.800m | Note 5 |
| <p>A 'one-stop-shop' for apprentices in London City Hall is well placed to act as a citywide broker between employers and apprenticeship candidates – matching individual skills and interests with employer requirements across the capital. Such a scheme would also ensure that training and development for apprentices continues beyond the lifespan of an initial placement.</p> <p>As part of wider devolution efforts for the capital, skills funding should also be devolved to ensure it works for London's different sectors, streamlining the process for small and medium-sized enterprises in particular.</p> | £0.100m | Note 6 |
| <p>£5 for each secondary school starter's own credit union account We would open a credit union savings account with an opening balance of £5 for every secondary school starter in London. Each secondary school in London would be linked with its local credit union, allowing pupils to learn about saving and budgeting whilst also promoting awareness among younger generations and their families of credit unions as a destination for ethical savings and affordable loans.</p> | £0.425m | Note 7 |
| <p>Re-establish the London Debt Strategy Group We would re-establish the London Debt Strategy Group to undertake critical research into debt levels and related problems across the capital. The Group would also act as a city-wide discussion forum and coordinator for debt advice providers, charities and other stakeholders. The Group would publish an annual report on debt levels and a strategy to alleviate the problem.</p> | £0.100m | |
| <p>Childcare for working parents We would provide match-funding for every London borough to offer wraparound childcare from 2016.</p> <p>Currently most school-based nurseries are closed during half-term holidays, leaving working parents to find wraparound childcare. While some families are able to rely on friends or relatives to meet this need, many are unable to access this option and will have insufficient annual leave entitlement. Filling this gap in provision would also support many individuals to move into sustained employment.</p> | £0.820m | Note 8 |
| <p>A larger, dedicated team to promote the London Living Wage The Living Wage Foundation and the GLA have made good progress in raising the profile of the London Living Wage. But if the campaign is to win wider support from larger employers – with the potential to extend the living wage to a greater number of employees – the GLA must do more to support the work of the Living Wage Foundation with a larger, dedicated team at City Hall focused on spreading the word and making the case for investing in staff.</p> | £0.100m | Note 9 |

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| Supporting London's Tourism sector The time is right for the Mayor to develop a range of new online apps, showcasing London's culture and heritage, widening its reach, and encouraging the creation of new visitor experiences. Taking inspiration from the Museum of London's successful 'Street Museum' app, potential projects include the development of a new online app exploring the walks, trails and local history of the Lee Valley Regional Park. | £0.100m | Note 10 |
| Total additional expenditure | £113.422m | |

| Savings | Identified Savings 2015/16 | <i>Explanatory notes</i> |
|--|-----------------------------------|--------------------------|
| Reduce expenditure on Consultancy by 15% | £ 1.465m | Note 11 |
| Reduce expenditure on Advertising and PR by 15% | £ 0.930m | Note 12 |
| Reduce expenditure on Marketing by 15% | £ 0.230m | Note 13 |
| Reduce expenditure on Agency Staff by 15% | £ 0.105m | Note 14 |
| Redirect Academies Programme Budget Liberal Democrats on the London Assembly have long opposed the Mayor's involvement in developing academy schools. By redirecting this funding we would increase the training and employment opportunities for job seekers across London. | £ 0.148m | Note 15 |
| Total savings | £ 2.878m | |

| Allocation of Rates Retention Funding | 2015/16 | <i>Change on provisional allocation (£)</i> |
|---|---------|---|
| The new system of business rates retention continues to offer the Mayor huge flexibility over the allocation of funding across the GLA Group. We would use this flexibility to allocate an additional £100m to the GLA, driving growth and jobs through creating a new home building programme. | £176.6m | +£100m |

Greater London Authority (GLA): London Assembly

We are not proposing any change to the London Assembly's budget this year. We believe it is vital that the Assembly has sufficient resources to be able to hold the Mayor of London to account, particularly as the Mayor continues to exercise significant new powers around policing, housing, regeneration and education. We note however that the Assembly has identified further efficiencies of £0.1m in 2015/16 in addition to those achieved in 2015-16 (£0.3 million).

At a total annual cost to each Band D council taxpayer of just 99 pence, we believe the London Assembly continues to provide value for money by holding the Mayor to account and investigating issues of importance to Londoners.

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| Note 1 | This borrowing is subject to the successful renegotiation of the GLA's long-term borrowing limits with central government and would require the GLA's debt schedule to be adjusted to reflect a 50-year period of payback. It assumes a capital finance-expenditure ratio of 1:20, based on the current interest rate for long-term borrowing (3 per cent) and a Minimum Revenue Provision (MRP) for housing of 2 per cent. |
| Note 2 | This would cover the cost of creating an additional five posts (including on-costs) at Grades 5- 9 responsible for programme delivery, monitoring and reporting. |
| Note 3 | This assumes an average grant per Borough of £200,000. The cost of the consultation (including collecting and analysing data) is estimated to be in the region of £50,000. Project management and IT set up costs have been estimated at £70,000 and £60,000 respectively, leaving £20,000 as a contingency. Where boroughs have already carried out consultation on property licensing proposals it is anticipated that the grant would be used to carry out additional enforcement activity. |
| Note 4 | These grants would cover the cost of up to half the average Green Deal assessment fee (£100) with the outstanding balance deducted from any future energy savings. Where no work is commissioned the full cost would be shared between the GLA and its chosen delivery partner, thereby incentivising assessors to offer the best possible advice. Priority would be given to low-income and vulnerable households. |
| Note 5 | It is envisaged that this fund would be managed by the Construction Industry Training Board (CITB) which currently uses annual levy payments to provide training grants and other services to support the UK construction industry. Expenditure assumes a cost of £400 per employee in line with its current programme. |
| Note 6 | Figure covers estimated staffing and initial set-up costs. |
| Note 7 | Based on projections submitted by London local authorities to the Department for Education, around 85,000 pupils are forecast enter London secondary schools at year 7 in the 2015/16 academic year (MQ2014/3612). |
| Note 8 | The borough council rate paid to childcare providers for 3 & 4 year olds is currently c.£4.10 per hour. Our budget allocation therefore allows for wraparound childcare, from 8am-6pm, for the five days of the half-term Spring holiday. Once match funded by each borough, this would provide childcare for 8,000 children across London (an average of 250 per borough). |
| Note 9 | This would cover the cost of creating an additional two posts (including on-costs) at Grades 5 – 9. |
| Note 10 | This sum allows for the scoping and development of up to four new apps, based on the £22,000 cost of developing the "London Official City Guide app" in 2012. (See DD844). For those without access to smartphones, printed maps would be made available for download on the GLA website with copies also distributed in London's public libraries. |
| Note 11 | In the year-to-date [periods 1-7 in 2014/15; and 8-13 in 2013/14] the GLA spent £9,769,381 on consultancy [Consultants (Contractors); Consultancy-Project Management; Management & Support Consultancy; IT Consultancy; Consultancy-Commissioned Report; Consultancy Evaluation Assessment; Planning & Development Consultancy]. Data from expenditure over £250 lists: http://www.london.gov.uk/mayor-assembly/gla/budget-expenditure-charges/expenditure |
| Note 12 | In the year-to-date [periods 1-7 in 2014/15; and 8-13 in 2013/14] the GLA spent £620,164 on advertising, public affairs and media relations [Advertising; Public Affairs and Media Relations; Publications & Periodicals; Publications & Publicity Material; Social Media and Advertising Space]. Data from expenditure over £250 lists: http://www.london.gov.uk/mayor-assembly/gla/budget-expenditure-charges/expenditure |
| Note 13 | In the year-to-date [periods 1-7 in 2014/15; and 8-13 in 2013/14] the GLA spent £1,536,041 on marketing and publicity [Marketing Services; Marketing Exhibitions & Events; Marketing Design and Artwork; Marketing & Economic Research; Photography; Printing for Marketing Materials; Agency Fees paid to Marketing Agencies]. Data from expenditure over £250 lists: http://www.london.gov.uk/mayor-assembly/gla/budget-expenditure-charges/expenditure |
| Note 14 | In the year-to-date [periods 1-7 in 2014/15; and 8-13 in 2013/14] the GLA spent £702,332 on Agency staff and Recruitment Agency Fees. Data from expenditure over £250 lists: http://www.london.gov.uk/mayor-assembly/gla/budget-expenditure-charges/expenditure |
| Note 15 | The Mayor has confirmed that his Academies Programme will cost £ 147,500 in 2015/16 (MQ 2013/5309). |

Mayor's Office for Policing and Crime (MOPAC)

| Increased expenditure | Additional Cost 2015/16 | Explanatory note |
|--|-----------------------------------|------------------|
| <p>Safer Neighbourhood Teams Changes to the structure of neighbourhood policing have left wards with only one dedicated PC and one dedicated PCSO – resulting in a less visible street presence and lower levels of community engagement.</p> <p>Our budget would reverse this change, putting dedicated officers and PCSOs back into the trusted structure of Safer Neighbourhood Teams, funding an additional dedicated PCSO for every ward in London.</p> | £8.625m | Note 1 |
| <p>340 Extra Safer Schools Officers Police officers working in schools provide a valuable service by focusing on early intervention and crime prevention – creating a safer environment for everyone to learn in. We would more than double the number of police officers working in schools to ensure the good work done to build trust and mutual respect between young people and the police is continued.</p> | £5.470m | Note 2 |
| <p>London-wide roll out of Child Sexual Exploitation (CSE) training In common with many other forces, the Met faces a particular challenge in responding to child sexual exploitation (CSE). Too often victims feel their concerns are not being heard or taken seriously, with the Children's Commissioner for England recently stating that “despite increased awareness of child sexual exploitation children are still slipping through the net and falling prey to sexual predators.”</p> <p>Other reports have highlighted the need for better understanding of different forms of CSE and more training of police response officers in recognising CSE. We would roll-out a training programme across the Met to better protect our young people.</p> | £1.200m | Note 3 |
| <p>Additional Resourcing for Child Abuse Investigation Teams (CAIT) A report published by the London Assembly's Police and Crime Committee in July 2014 found that the Metropolitan Police unit responsible for investigating allegations of rape and sexual assault against children was being stretched by a significant increase in the number of reported incidents, with a 10 per cent increase in the number of alleged child rapes and sexual assaults against children reported in the last year alone.</p> <p>It recommended that the Met should increase the number of officers in order to meet current demand, including an option to overstaff to help fulfil the immediate challenges facing the command. This budget proposal makes good that recommendation by providing the funding for an additional 64 officers – the equivalent of two additional officers per borough – to help investigate these serious offences</p> | £1.920m | Note 4 |
| Total additional expenditure | £17.215m | |

| Savings | Identified Savings 2015/16 | |
|--|---------------------------------------|---------|
| Cars and Drivers for Senior Officers We would remove chauffeurs and limousines for ACPO officers except where required for security reasons. | £0.822m | Note 5 |
| Taxi and Private Hire Vehicles We would stop the use of taxis and private hire vehicles except where required for security reasons. | £0.092m | Note 6 |
| Flights – First Class and Business We would reduce expenditure on flights by 50%. | £0.450m | Note 7 |
| Consultants We would reduce expenditure on consultants by 10%. | £2.520m | Note 8 |
| Temporary Agency Workers We would reduce expenditure on temporary staff by 10%. | £2.060m | Note 9 |
| Non-Executive Advisers We would delete all paid Non-Executive Adviser posts. London has a wealth of specialist stakeholders in the commercial and charity sectors with whom the Deputy Mayor could engage at no extra cost. | £0.079m | Note 10 |
| Property Services We would create a new shared services agreement with Transport for London, giving MOPAC and the MPS access to the expertise of TfL's Property and Commercial Development Team, maximising the use of this talent for the benefit of the whole GLA group. | £0.250m | Note 11 |
| ACPO Accommodation We would rent out the 8 central London flats which MOPAC currently holds for ACPO officers. This would generate an additional income stream. | £0.230m | Note 12 |
| Overtime We would reduce expenditure on overtime for police officers by 10%. | £7.997m | Note 13 |
| Advertising We would cut the cost of in-house press and public relations by 50%. | £2.715m | Note 14 |
| Total savings | £17.215m | |

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| <i>Note 1</i> | Our budget assumes an additional 640 PCSOs would be required at an approximate cost of £24,200 per PCSO (see previous MOPAC budget submissions). This represent a full year cost of £15.5m. However recruitment would need to take place. Thus we have calculated the costs based on an additional 55 PCSOs per month (until March 2016). This would cost £8,625,400. Additionally we would dedicate a further PC to each SNT from within the existing pool of neighbourhood officers, ensuring no extra cost. |
| <i>Note 2</i> | At the last count there were 219 Safer Schools Officers working in 559 Safer Schools Partnerships, comprising secondary schools, Pupil Referral Units and 6th Form Colleges (MQ2013/4398). Our budget assumes an additional 340 officers would be recruited over the year (at a cost of £30,000 per officer). This amounts to a full year cost of £10.2m. However recruitment would need to take place. Thus we have calculated the costs based on an additional 28 officers being recruited each month (until March 2016). This would cost £5,470,000. |
| <i>Note 3</i> | A programme of awareness raising of Child Sexual Exploitation (CSE) for Territorial Policing has been delivered to 16 of the 32 boroughs so far (MQ2014/4178). It is anticipated that our additional funding would be sufficient to cover the Londonwide roll-out of this scheme. |
| <i>Note 4</i> | This assumes an average cost of £30,000 per officer. |
| <i>Note 5</i> | In 2014/15 the forecast spend on drivers for senior officers (including the maintenance, fuel and insurance cost for cars) is £822,000 (MQs 2014/4163 , 2014/4165 and 2014/4166). |
| <i>Note 6</i> | In 2014/15 the forecast spend for Taxis and Private Hire vehicles is £91,931 (MQ 2014/4167). |
| <i>Note 7</i> | In the first eight months of 2014/15 the MPS spent £0.015m and £0.584m on five first class flights and 201 business class flights respectively, we have therefore forecast a spend of £0.899m over the full financial year (MQ 2014/4173). |
| <i>Note 8</i> | In the first nine months of 2014/15 MOPAC/MPS spent £18.9 on external consultants, we have therefore forecast a spend of £25.2m over the full financial year. (MQ 2014/4170). |
| <i>Note 9</i> | In the first nine months of 2014/15 MOPAC/MPS spent £15.5m on agency staff, we have therefore forecast a spend of £20.6m over the full financial year. (MQ2014/4171). |
| <i>Note 10</i> | For the period October 2012 (when they were appointed) to August 2013, the following remuneration was paid to MOPAC's non-executive advisers: Faith Boardman (Advisor for Change): £26,500 Jeremy Mayhew Advisor for Procurement: £25,562 Jonathan Glanz (Advisor for Property): £27,000 Steve O'Connell (Advisor for Neighbourhoods): £0.00 (has chosen not to receive remuneration for this post). |
| <i>Note 11</i> | This figure assumes a saving of five officers, at an average cost (including on-costs) of £50,000 each. |
| <i>Note 12</i> | MOPAC has eight residential properties for the use of ACPO officers (MQ 2014/4172). Our budget proposal assumes that each property would achieve the median weekly rent for a two bedroom property in the City of Westminster (£600) over 48 weeks of the year. |
| <i>Note 13</i> | The 2015/16 budget for Police Officer overtime is £79,967,000. See MOPAC/MPS 2015-16 Budget Submission to the Mayor , Appendix 1, (page 11). |
| <i>Note 14</i> | Spending on in-house press and public relations was £5.1 million in 2013/14. From April 2014 to October 2014, the spend was £3.17 million, we have therefore forecast a spend of £5.43m over the full financial year. (MQ2014/4169). |

London Fire and Emergency Planning Authority (LFEPA)

| Increased expenditure | Additional cost 2014/15 | <i>Explanatory notes</i> |
|---|------------------------------------|--------------------------|
| <p>Sprinklers for Schools We would provide match funding for all 456 secondary schools in London to install sprinkler systems over a 10-year period.</p> <p>Nationally every year, one in eight schools suffers a serious arson attack and the cost of school fires is around £65 million, with London accounting for over a third of that figure.</p> <p>As well as the huge financial cost, a fire that destroys a school or college causes massive disruption to students, teachers and families and can have a devastating effect on the wider community and the capital's economy.</p> | £1.050m | Note 1 |
| <p>Blue light museum A feasibility study commissioned in late 2009 concluded that "if no action is taken to address collections care, management facilities and capacity, it can be safely assumed that within ten years the [blue light] collections will have suffered great losses."</p> <p>We believe the rich history of our emergency services deserves a permanent home in central London. LFEPA's likely decision to purchase its headquarters provides the ideal opportunity to investigate the possibility of opening a permanent museum onsite. Such an attraction would also have the potential to generate significant sums of additional income in future years.</p> | £0.100m | |

| Change in use of reserves | 2014/15 | <i>Explanatory notes</i> |
|---|---------|--------------------------|
| <p>This one year call on general reserves anticipates the long-term savings that would be achieved through retrofitting London schools with sprinkler systems. With fewer fire appliances now available, and longer attendance times a reality following the implementation of the Fifth London Safety Plan (LSP5), the need to focus on fire prevention is more important than ever.</p> | £1.150m | Note 2 |

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| <i>Note 1</i> | <p>This figure assumes a ten-year programme would be established to pay for the installation of sprinklers (at an average of £190,500 per system) into all London's 456 state-funded secondary schools on a 50/50 match funding basis (to be matched by local authorities, DfE or the schools themselves). It also assumes that the first nine months of the financial year would be needed to set up this scheme, therefore only one quarter's annual spend has been committed.</p> |
| <i>Note 2</i> | <p>It is envisaged that the capital receipts generated through the sale of London's former fire stations could be used to reduce this call on reserves.</p> |

Transport for London (TfL)

| Additional Income | 2015/16 | <i>Explanatory notes</i> |
|---|-----------------|--------------------------|
| <p>Ultra Low Emission Zone – Diesel Levy We would introduce a modest levy (£2.50) on diesel vehicles entering central London from late 2015 – cleaning London’s dirty air and protecting the health of all those who live, work and visit our city. Current Congestion Charge exemptions (for emergency service vehicles and licensed taxis) would continue to apply.</p> <p>Diesel remains a major source of London’s pollutant emissions, with diesel vehicles producing up to 20 times as much harmful particulate matter (PM10) and nitrogen oxides (NOx) as their petrol equivalents. While the Mayor seems content to wait until 2020 before taking action, we believe measures are needed urgently if London is to achieve compliance with health-based, legal limits and avoid the prospect of substantial fines being passed down to the GLA under the terms of the Localism Act (2011). Our modest charge would enable TfL to influence purchasing and driving behaviour far sooner than currently planned, without having an undue economic impact.</p> | £26.915m | Note 1 |
| <p>Workplace Parking Levy in central London We would introduce a Workplace Parking Levy (WPL) in central London to help tackle congestion, using the proceeds to support a step change in the proportion of journeys being made by sustainable modes.</p> <p>Under this proposal all employers (excluding schools and hospitals) that provide four or more workplace parking spaces within the Congestion Charging Zone would be required to pay an annual charge of £3,000 per space, equivalent to £12 per working day – a level that enables larger employers who wish to continue providing workplace parking spaces for employees to do so whilst encouraging others to promote alternative modes of transport such as walking and cycling.</p> | £12.185m | Note 2 |
| <p>Smart Congestion Charging Whilst the Congestion Charge has been successful in reducing the number of motorised vehicles entering central London during charging hours, the increasing competition for limited road space has caused congestion to return to levels experienced before the charge was introduced in many parts of London. As the population of London continues to grow, TfL must look at other ways of reducing congestion and keeping traffic moving on the Capital’s roads.</p> <p>Drawing on the experience of other cities such as Stockholm and Singapore, we would introduce a system of smart congestion charging – charging users an additional fee to enter central London at peak times when its roads are most congested – to reflect demand more fairly while maintaining a functioning road network for essential journeys.</p> <p>At the same time we would invest the additional revenue raised through this measure in our targeted fares package listed below, increasing the proportion of journeys being made by sustainable modes.</p> | £23.400m | Note 3 |
| Total income | £62.500m | |

| | |
|--------|---|
| Note 1 | Due to the current lack of availability of zero emission vehicles and the rapid charging infrastructure required to operate them effectively, it is proposed that both licensed taxis and TfL buses would be exempt from this charge. 'Additional Income' figure therefore represents the estimated net revenue of the scheme based on the number of 'chargeable' diesel vehicles entering the central London congestion charging zone during an average 24hr period (See TfL CCZ data from November 2014 and fleet composition projections published by DfT). A 15 per cent reduction in 'chargeable' traffic has been forecast due to behaviour change, while initial set-up costs (including consultation and marketing) and annual operating costs have been estimated at £15m and £6m respectively. It is also anticipated that a 12-week consultation period would be required followed by a further three months to establish the scheme, therefore revenue has only been projected for 6 months in 2015/16. |
| Note 2 | This assumes there are currently 17,400 Private Non-Residential (PNR) employee car parking spaces in central London, of which 14,790 would continue to be used (excluding those used by disabled Blue Badge Holders) and therefore required to pay a Workplace Parking Levy. Initial set-up costs and annual operating costs (including enforcement and administration) have been estimated at £5m each. It is also anticipated that a 12-week consultation period would be required followed by a further three months to establish the scheme, therefore revenue has only been projected for 6 months in 2015/16. For more information on the number of car parking spaces available across London see the latest update to the London Parking Supply Study prepared by MVA Ltd for Transport for London (July 2005). |
| Note 3 | TfL figures show that on an average weekday 37,500 vehicles enter the Congestion Charge zone during the morning peak between 07:00 and 10:00. We would increase the congestion charge by £2.50 for those entering the zone during this period. This would yield an estimated additional £23.4m. |

| Increased expenditure | Additional cost 2015/16 | <i>Explanatory notes</i> |
|---|--------------------------------|--------------------------|
| <p>Targeted Fare Reductions 1- One Hour Bus Ticket</p> <p>Liberal Democrats have long called for the introduction of a 'One Hour' bus ticket – allowing passengers to change from bus to bus without having to pay an additional fare. Other European cities have recognised the benefits of time-limited bus tickets and passengers on the Tube have long been able to change trains without being charged again – it's time this benefit was enjoyed by bus passengers too.</p> | £12.500m | Note 4 |
| <p>Targeted Fare Reductions 2- Early Bird Fares</p> <p>We would offer a discount to Londoners travelling before 7.30am on all Tube, DLR and TfL Overground services. By rewarding these passengers with an off-peak rate we would help to reduce the cost of travel for thousands of hard-working Londoners – such as cleaners and shift workers – easing peak congestion in the process.</p> | £2.475m | Note 5 |
| <p>Targeted Fare Reductions 3 – Helping Part Time workers in outer London</p> <p>We would reintroduce the off-peak Pay As You Go (PAYG) cap for those travelling into central London from zones 4-6, ensuring the incentive to travel off-peak remains in place.</p> <p>Whilst we welcome the introduction of a lower daily Pay As You Go (PAYG) cap for peak time travellers – which provides a fairer deal for those travelling less frequently – the removal of off-peak discounts has left many commuters in outer London facing significant and unexpected increases in their travel costs.</p> | £10.000m | Note 6 |

| | | |
|--|----------|---------|
| <p>Opening up the Cable Car to Travelcard-holders The “Emirates Air Line” cable car remains an expensive project carrying a dwindling number of passengers, with TfL now openly more focussed on attracting tourists than regular users. If the scheme is genuinely to improve connections across the river, more must be done to open up the scheme to regular transport users. Liberal Democrats would integrate the cable car into the wider transport network by allowing travelcard holders to use the service at no extra cost.</p> | £0.500m | Note 7 |
| <p>Rolling out and extending Mini-Holland projects in the Boroughs London’s cycling revolution still fails to reach the edges of the city, and while the successful ‘Mini-Holland’ bids are welcome, the remaining boroughs have proposals that should be pursued. We would provide extra funding to the outer London boroughs to enable all the Mini-Holland projects to proceed as soon as possible.</p> | £7.000m | Note 8 |
| <p>Bringing TfL Cycling Spend Up to 2 per cent of its Annual Budget Liberal Democrats on the London Assembly have long called for TfL to increase its spend on cycling to reach 2 per cent of its annual budget. This proposal makes good that commitment.</p> | £59.000m | Note 9 |
| <p>Expansion of Cycle Hire Scheme to Bermondsey & Rotherhithe Bermondsey and Rotherhithe remain two of the only areas in central London not to benefit from having Cycle Hire facilities - expansion of the scheme here is long overdue. We propose that TfL would fund the expansion, but that sponsorship should be sought alongside the ongoing negotiations for the whole scheme.</p> | £ 6.000m | Note 10 |
| <p>Research and Development Costs for Brunel Bridge We would provide seed funding to enable Sustrans to develop a detailed plan for a new pedestrian/cycle ‘Brunel Bridge’ running between Rotherhithe and Canary Wharf. Capacity constraints on the DLR and Jubilee Line, combined with a proposed extension of the Cycle Hire scheme, mean a pedestrian/cycle link in this location would meet several needs.</p> | £0.100m | |
| <p>Summer Streets Programme – restoring VIP Traffic-Free Days We would launch a New York-style ‘Summer Streets’ programme, beginning by closing Oxford Street to traffic on consecutive weekends during June, July and August.</p> <p>The Mayor himself has endorsed plans for more traffic-free days, announcing during a recent visit to Indonesia that he would “certainly be asking Transport for London to dust down [their] old ideas and have a look [at car-free Sundays]”. This proposal makes good that commitment, allowing London’s streets to become a focal point for entertainment, exhibitions and other public events for 12 weeks during the Summer.</p> | £1.000m | Note 11 |
| <p>Supporting Sutton’s Tram extension We would provide the additional staffing resources needed to push forward plans to extend the tramlink into Sutton town centre.</p> <p>The proposed tramlink extension would bring major economic and social benefits to south London, creating thousands of long-term jobs, improving access to our commercial districts and providing much needed extra transport capacity. It’s time the Mayor said ‘yes’ to extending the tramlink into Sutton.</p> | £0.500m | |

| | | |
|--|------------------|---------|
| <p>Zero Emission Bus Fund We would establish a Zero Emission Bus Fund with the aim of electrifying all London’s single-decker buses by 2020.</p> <p>Air pollution from London’s bus fleet causes huge health problems, and makes London a dirty, noisy city. However recent advances in battery technology along with the Government’s focus on low carbon vehicles have made zero (tailpipe) emission single-deck buses a viable transport option.</p> <p>While the Mayor plans to turn all single-deck buses in central London zero emission by September 2020, we would go further and faster, with a plan to switch every single-deck bus across London to run on electric power from 2020 onwards. Additional benefits include reduced CO₂ emissions, improved air quality, fewer premature deaths, and huge savings on fuel and running costs too – helping to make public transport more affordable for all.</p> | £10.000m | Note 12 |
| <p>Zero Emission Taxis Given the current lack of availability of zero emission taxis and the current barriers to widespread adoption, we believe the time has come for TfL to intervene in this market by procuring a fleet of zero emission capable taxis directly and leasing them to taxi drivers, in much the same way as it has already done with the new Routemaster buses. At the same time TfL should install the rapid charging infrastructure required for these taxis to operate effectively.</p> <p>Such a scheme would enable London’s taxi fleet to be replaced far more rapidly than by expecting drivers to buy vehicles individually and would give certainty to the market as well as raising the profile of new cleaner technologies.</p> | £5.000m | Note 13 |
| <p>Cleaner Air for Schools Programme The current breaching of air quality limits has serious public health implications, with recent research estimating that poor air quality in London contributes to over 4,200 premature deaths each year.</p> <p>Children are particularly sensitive to the health impacts of poor air quality. We would fund additional participation in the Cleaner Air for Schools programme - giving every child the chance to learn about the simple steps that they can take to reduce their exposure to harmful air pollution. A programme of capital grants to retrofit London’s primary schools with air filtration systems would also be established, concentrating initially on those schools sited in pollution hotspots.</p> | £5.000m | |
| <p>Finance costs of prudential borrowing for capital investment Using the surplus generated through additional savings we would finance the costs of borrowing an additional £100m to balance our part-reallocation of TfL’s provisional share of business rates, thereby maintaining the current funding available for capital investment in London’s transport network in 2015/16.</p> | £7.000m | Note 14 |
| <p>Total additional expenditure</p> | £126.075m | |

| Savings | Identified Savings 2015/16 | <i>Explanatory notes</i> |
|---|-----------------------------------|--------------------------|
| Removing TfL Staff Nominee free travel TfL employees would retain the right to free travel themselves, but their right to nominate another person of their choice for free travel would be withdrawn. We would phase the withdrawal of the nominees' cards when they are due for renewal. | £10.000m | Note 15 |
| Reduce expenditure on consultants We would cut spending on consultants and plough this money back into improving services for passengers. | £5.000m | Note 16 |
| Reduce expenditure on Press and Advertising In tough financial times TfL's spending on press and advertising must be reduced. This will enable more money to be spent on the things that matter most to Londoners, namely getting from A to B cheaply and efficiently. | £5.000m | Note 17 |
| Total savings | £20.000m | |

| | | |
|--|-----------------|--|
| Release funding from reserves and surpluses | £43.575m | |
|--|-----------------|--|

| Allocation of Rates Retention Funding | 2015/16 | <i>Change on provisional allocation (£)</i> | <i>Explanatory notes</i> |
|---|---------|---|--------------------------|
| We would re-direct £100m from TfL's provisional share of rates retention funding to the GLA, using additional savings and deploying reserves in TfL's budget to balance this reallocation – thereby ensuring no overall reduction in the amount of funding available for capital investment in 2015/16. | £747.5m | -£100m | |

London Legacy Development Corporation (LLDC)

We are not proposing any change to the LLDC budget this year. While the LLDC continues to rely on the GLA to support its activities (and manage its risks) in the short term, it will be important that the long-term transformation of the Olympic Park is not put at risk by any uncertainty over its future income stream.

We welcome the government's recent commitment to provide £141 million of capital funding to the 'Olympicopolis' development in the Queen Elizabeth Olympic Park. However, if the wider cultural and education objectives promised through this scheme are to be achieved, it will be necessary to find additional resources to support an ongoing employment and skills programme.

Finally it will be important that any extra costs relating to the works being carried out on the Olympic Stadium roof do not compromise the LLDC's wider regeneration objectives, or the Mayor's own commitment, to ensure that a sufficient proportion of new homes are made available to local residents at prices they can afford, whether renting or buying.

| | |
|---------|--|
| Note 4 | TfL estimates the annual cost would be £50m (MQ2014/4153). We would introduce this next January, therefore the cost reflects funding for a quarter of the year. |
| Note 5 | In 2012 TfL estimated that offering off-peak fares to all Tube, DLR and Overground rail travellers before 7.30am would cost £9m. Applying recent fares increases brings this cost to £9.9million. We would roll this out from January 2016, therefore the cost reflects funding for a quarter of the year. |
| Note 6 | TfL estimates the cost of withdrawing PAYG off-peak daily caps to be £10m. |
| Note 7 | Based on current ridership figures and assumed loss of fares income arising from opening up the scheme to travelcard holders. Operating costs and staffing levels are expected to remain unaffected. For more information on current ridership figures see the following link: https://www.tfl.gov.uk/corporate/publications-and-reports/emirates-air-line-performance-data |
| Note 8 | This fund would contribute towards the further development and implementation of the Mini-Holland bids in Outer London that failed to receive funding from TfL in 2014. |
| Note 9 | We wish to see 2% of TfL's operating and capital expenditure allocated to cycling, equivalent to £178m in 2015/16. Previous TfL budgets have allocated £119m, meaning a further £59m is required to reach 2%. |
| Note 10 | TfL Finance and Policy Committee figures show the CHEI (Cycle Hire Expansion & Intensification) had a net cost of £19.4m. We estimate an expansion into Bermondsey and Rotherhithe to be just less than a third in size of the CHEI. |
| Note 11 | This figure covers the indirect costs (including the need to issue Traffic Management Orders (TMOs) and install diversion route signage) relating to the temporary, one-day closure of Oxford Street and Regent Street to traffic between 8am and 8pm. |
| Note 12 | This assumes a £10m revenue contribution could be made to the capital budget for 2015/16. Based on the current price of a single-deck electric bus (£200,000) it is anticipated that this fund would enable the procurement of 100 electric buses, based on the electric 'premium' (i.e. that paid over the cost of a conventional single-deck diesel model). There are approximately 2,700 single decker buses in the TfL fleet, of which 175 operate in central London on a daily basis. |
| Note 13 | It is anticipated that lower running and maintenance costs will ensure there is no price premium over the current black cab, which costs around £33,000. This would enable the procurement of just over 150 electric taxis. However, as with the new Routemaster buses, the direct procurement of taxis would mean that millions of pounds would be saved over the working life of these vehicles. It is proposed that any savings should be put towards the development of a rapid charging network. (Of the 1,400 charge points currently in the Source London network, less than 10 per cent (129 charge points) are capable of providing a rapid charge). |
| Note 14 | While we would conform to the advice set out by the Secretary of State for Transport on 18th May 2012 – by ensuring no overall reduction in the amount of funding available for capital investment over the Spending Review period – this proposal would require the renegotiation of TfL's agreed borrowing limit to allow for additional headroom. However, given the relatively small sum of additional borrowing, its likely conformity with the Prudential Code of Borrowing and TfL's substantial cash balance it is envisaged that renegotiation could be carried out relatively swiftly and without any adverse impact on TfL's credit rating. See TfL's Operational and Financial Performance Report – Second Quarter (2014/15) for more details of its current financial position. This cost assumes a capital finance-expenditure ratio of 1:14, based on the current interest rate for long-term borrowing (3 per cent) and Minimum Revenue Provision (MRP) for non-housing of 7 per cent. |
| Note 15 | It's estimated that if all staff nominees and bus operator nominees were charged fares, the revenue raised would be of the order of £10m per annum. (See answer to Mayor's Question 2013/2987: http://questions.london.gov.uk/QuestionSearch/searchclient/questions/question_271759). |
| Note 16 | Figures published for the latest available financial year show TfL spent nearly £19m on consultants. |
| Note 17 | Figures published from the latest available financial year show TfL spent over £25m on advertising, marketing and public relations. |

PART B: Proposal to approve, with amendments, the Draft Consolidated Budget for the 2015-16 financial year for the Greater London Authority and the Functional Bodies.

RECOMMENDATIONS:

FORMAL BUDGET AMENDMENT

1. The Mayor's draft consolidated budget (together with the component budgets comprised within it) for 2015-16 be amended by the sum(s) shown in column number 3 of the table for each constituent body, as set out and in accordance with the attached Schedule.

(These sums are the calculations under sections 85(4) to (8) of the Greater London Authority Act 1999 (as amended) ('The GLA Act') which give rise to each of the amounts mentioned in recommendations 2 and 3 below.)

2. The calculations referred to in recommendation 1 above, give rise to a component council tax requirement for 2015-16 for each constituent body as follows:

| <i>Constituent body</i> | Component council tax requirement |
|---|--|
| Greater London Authority: Mayor of London | £75,891,766 |
| Greater London Authority: 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 |

3. The component council tax requirements shown in recommendation 2 above, give rise to a consolidated council tax requirement for the Authority for 2015-16 (shown at Line 85 in the attached Schedule) of **£786,863,120**.

BUDGET RELATED MOTIONS

3. [WHERE APPLICABLE, INSERT ANY OTHER BUDGET RELATED MOTIONS REQUIRED]

NOTES:

Assembly's powers of budget amendment

- a. The Mayor is required to set a consolidated and component council tax requirement and it is this amount which the Assembly has the power to amend. The council tax requirement equates to the amount which will be allocated to the Mayor, the Assembly and for each functional body from the Mayor's council tax precept. These individual functional body requirements are consolidated to form the consolidated council tax requirement for the GLA Group.

- b. A simple majority of votes cast by Assembly Members is required to approve any amendment to recommendations (1) to (3) above concerning the Draft Consolidated Budget; abstentions are not counted.

- c. To approve the Draft Consolidated Budget, without amendment, only a simple majority of votes cast is required. Again, abstentions are not counted.

- d. Lines 4 (GLA Mayor), 18 (Assembly), 32 (MOPAC), 46 (LFEPA), 60 (TfL) and 74 (LLDC) within the expenditure estimates are used to allocate any revenue account deficit being met from reserves relating to a prior financial year. Under the Mayor's proposals the GLA (Mayoral) component budget (line 4) includes the GLA's share of the aggregate current forecast net collection fund deficit at 31 March 2015 in respect of retained business rates. This is nominally allocated to the GLA in line with accounting practice as the precepting authority but in principle the deficit can be attributed to any component budget. The forecast net collection fund surplus reported by billing authorities for council tax in respect of 2014-15 is treated as an income item (see section e below).

- e. The income estimates are calculated under section 85 5(a) of the GLA Act and are presented in five parts within the statutory calculations:
 - Income not in respect of Government grant, retained business rates or council tax precept. This includes fare revenues; congestion charging income; the Crossrail Business rate supplement; the sums receivable in non domestic rates from London billing authorities required to meet the GLA's fixed tariff payment under rates retention; and all other income not received from central government, through the council tax precept or for *retained* business rates. (line 6 for the Mayor, line 20 for the Assembly, line 34 for MOPAC, line 48 for LFEPA , line 62 for TfL, and line 76 for the LLDC);

 - Income in respect of specific and special government grants. This includes those grants which are not regarded as general grants and are nominally paid for specific purposes. This includes Home Office specific grants for MOPAC including counter-terrorism funding, the council tax freeze grant for the GLA and other grants paid for specific purposes to the GLA, LFEPA and TfL (line 7 for the Mayor, line 21 for the Assembly, line 35 for MOPAC, line 49 for LFEPA, line 63 for TfL, and line 77 for the LLDC);

 - Income in respect of general government grants. In 2015-16 this comprises Revenue Support Grant, the general element only of the GLA Transport Grant payable for the purposes of Transport for London and for - MOPAC only - core Home Office police and principal police formula grant (line 8 for the Mayor, line 22 for the Assembly, line 36 for MOPAC, line 50 for LFEPA, line 64 for TfL, and line 78 for the LLDC). Home Office policing and principal police formula grant reported on line 36 can only be applied to the MOPAC component budget and the general transport grant figure on line 64 for TfL can only be applied for its purposes;

 - Income in respect of retained business rates including estimated related section 31 grant income payable by the Secretary of State under the Local Government Act 2003 (line 9 for the Mayor, line 23 for the Assembly, line 37 for MOPAC, line 51 for LFEPA, line 65 for TfL, and line 79 for the LLDC). This excludes the sum receivable in non domestic rates required to meet the fixed tariff payment to central government which is treated as general income as above; and

- The GLA's estimated share of any aggregate forecast net collection fund surplus at 31 March 2015 reported by the 33 London billing authorities in respect of either council tax and/or retained business rates. This is nominally allocated to the GLA in line with accounting practice but in principle the surplus can be attributed to any component budget. For the draft budget this figure reflects the GLA forecast share of the forecast net collection fund surplus for 2014-15 in respect of council tax only as the retained business rates forecast is reported on line 4 as it is forecast to be a deficit (line 10 for the Mayor, line 24 for the Assembly, line 38 for MOPAC, line 52 for LFEPa, line 66 for TfL, and line 80 for the LLDC).

- f. A subtotal for income items before the use of reserves (line 11 for the Mayor, line 25 for the Assembly, line 39 for MOPAC, line 53 for LFEPa, line 67 for TfL, and line 81 for the LLDC) is included in the proforma and must also be amended to reflect the sum of any amendments made to the income items listed in paragraph d above.
- g. The proposed use of reserves to meet expenditure is recorded in lines 12 (Mayor), 26 (Assembly), 40 (MOPAC), 54 (LFEPa), 68 (TfL) and 82 (LLDC). The overall income total including the use of reserves and the sum of the income items from paragraph e is recorded in lines 13 (Mayor), 27 (Assembly), 41 (MOPAC), 55 (LFEPa), 69 (TfL) and 83 (LLDC) – and again this must also be amended to reflect the sum of any amendments made to the income items described in paragraphs d and e above.

Council tax base and GLA Share of Billing Authority Collection Fund Surpluses or Deficits

- h. The council tax requirements are calculated using the 2014-15 approved council taxbases for the 33 London billing authorities – 2,636,089 Band D equivalent properties for non police services and 2,629,901 for police services (i.e. excluding the taxbase for the City of London). The Mayor's final draft budget will incorporate the effect of the approved billing authority council taxbases and the GLA's forecast share of retained business rates income for 2015-16 alongside the forecast collection fund surpluses or deficits in respect of retained business rates and council tax for 2014-15 which are recoverable in 2015-16 through an adjustment to the instalments payable to the GLA by billing authorities.

Compliance with Council Tax "Excessiveness Principles" Set by the Secretary of State

- i. A Band D council tax for non police services in the City of London (the unadjusted basic amount of council tax applying in the City) which exceeds £86.16 and/ or a total council tax elsewhere (the adjusted basic amount applying in the 32 London boroughs) which exceeds £304.97 would be regarded as "excessive" under the principles announced by the Secretary of State and expected to be approved by Parliament. This is because a higher Band D amount in either case will result in an increase at or above the 2% threshold proposed by the Secretary of State, in which case the increase is regarded "excessive," thereby triggering (in either or both cases as applicable) the requirement to hold a council tax referendum of local government electors across the whole of Greater London. The final excessiveness principles are subject to approval by Parliament in early February 2015.
- j. Assembly Groups should therefore seek advice should they wish to propose amendments which have the effect of increasing the precept compared to the figures proposed by the Mayor of £80.48 (the unadjusted amount of council tax in the City) and £295.00 (the adjusted amount in the 32 boroughs) as it is possible that the amendment could breach the excessiveness principles both on the percentage increase and on the apportionment of any additional council tax precept income between police and non police services. If the amendment is likely to result in a council tax regarded as excessive under these principles it should state within the supporting text that this is the case.
- k. If an amendment resulting in an "excessive" council tax is passed at the 23 February meeting at which the final draft budget is to be considered, the Assembly is also required to approve an alternative default or 'substitute' budget that is compliant with the excessiveness principles and which would become the budget should any resulting referendum not be passed – in effect one consistent with an unadjusted council tax of £86.16 (in the area of the Common Council of the City of London) and/or an adjusted council tax of £304.97 (in the 32 London Boroughs)

depending on which (or both) is/are “excessive”. Part 3 of the Mayor’s draft budget proposals provides advice to Assembly members on Council tax referendum issues.

Old Oak Common and Park Royal Development Corporation

- I Legislation to set up the Old Oak Common and Park Royal Development Corporation (OPDC) is expected to be laid before Parliament in early 2015 and the corporation is expected to come into existence on 1 April 2015 as a Mayoral Development Corporation and a functional body. However as the OPDC is not constituted at the date the budget is being set the OPDC is not regarded a constituent body for the purposes of sections 85 to 99 of the Act. The funding allocated to the proposed OPDC in respect of 2015-16 therefore forms part of the GLA (Mayor) component budget.

SCHEDULE

Part 1: Greater London Authority: Mayor of London (“Mayor”) draft component budget

NOTE: Amendments to the draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

| 1 | 2 | 3 | 4 |
|-------------|-------------------------|-------------------------|---|
| <i>Line</i> | Mayor’s Proposal | Budget amendment | Description |
| 1 | £704,700,000 | £815,244,354 | 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 | £749,720,481 | £860,264,835 | 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 <u>not</u> 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 | -£176,579,119 | 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 | -£618,013,069 | -£718,013,069 | 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 | -£684,373,069 | -£784,373,069 | 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 | £65,347,412 | £75,891,766 | 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 (line 14 col 3) is: £75,891,766

Part 2: Greater London Authority: London Assembly (“Assembly”) draft component budget

NOTE: Amendments to the draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

| 1 | 2 | 3 | 4 |
|------|--------------------|------------------|---|
| Line | Mayor’s proposal | Budget amendment | 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 | £7,610,000 | £ | 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 <u>not</u> 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 | -£4,995,000 | -£ | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (line (20) + (21) + (22) + (23) + (24)) |
| 26 | £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 | -£4,995,000 | -£ | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Assembly (lines (25) + (26) above) |
| 28 | £2,615,000 | £ | 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**

Part 3: Mayor's Office for Policing and Crime ("MOPAC") draft component budget

NOTE: Amendments to the draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

| 1 | 2 | 3 | 4 |
|------|------------------------|------------------------|---|
| Line | Mayor's proposal | Budget amendment | Description |
| 29 | £3,159,766,354 | £3,159,996,354 | 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 | £3,159,766,354 | £3,159,996,354 | 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 | -£262,130,000 | estimate of the MOPAC's income <u>not</u> 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 | -£2,539,500,000 | -£2,539,730,000 | 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 | -£2,595,600,000 | -£2,595,830,000 | 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 | £564,166,354 | £ | 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**

Part 4: London Fire and Emergency Planning Authority (“LFEPA”) draft component budget

NOTE: Amendments to the draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

| 1 | 2 | 3 | 4 |
|------|----------------------|----------------------|--|
| Line | Mayor’s Proposal | Budget amendment | Description |
| 43 | £423,651,726 | £424,801,726 | 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 | £423,651,726 | £424,801,726 | 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 <u>not</u> 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 | -£285,411,726 | -£ | 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 | -£1,200,000 | estimate of LFEPA’s reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act |
| 55 | -£285,461,726 | -£286,611,726 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFEPA (lines (53) + (54) above) |
| 56 | £138,190,000 | £ | 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

Part 5: Transport for London (“TfL”) draft component budget

NOTE: Amendments to the draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

| 1 | 2 | 3 | 4 |
|------|------------------------|------------------------|--|
| Line | Mayor’s proposal | Budget amendment | Description |
| 57 | £7,066,100,000 | £7,146,700,000 | estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the GLA Act |
| 58 | £0 | £ | estimated allowance for contingencies for TfL under s85(4)(b) of the GLA Act |
| 59 | £0 | £ | estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the GLA Act |
| 60 | £0 | £ | estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act |
| 61 | £7,066,100,000 | £7,146,700,000 | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the TfL (lines (57) + (58) + (59) + (60) above) |
| 62 | -£5,508,381,533 | -£5,545,406,533 | estimate of TfL’s income <u>not</u> 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 the GLA Transport General Grant) calculated in accordance with s85(5)(a) of the GLA Act |
| 65 | -£847,518,467 | -£747,518,467 | 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 | -£7,060,100,000 | -£6,997,125,000 | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act for TfL (lines (62) + (63) + (64) + (65) + (66) above) |
| 68 | £0 | -£143,575,000 | estimate of TfL’s reserves to be used in meeting amounts in line 61 above under s85(5) (b) of the GLA Act |
| 69 | -£7,060,100,000 | -£7,140,700,000 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68)) |
| 70 | £6,000,000 | £ | the component council tax requirement for TfL (being the amount by which the aggregate at (61) above exceeds the aggregate at (69) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for TfL for 2015-16 is: £6,000,000

Part 6: London Legacy Development Corporation (“LLDC”) draft component budget

NOTE: Amendments to the draft component council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If “nil” or “£0” is shown in column 3, then the figure in column 2 is amended to nil.

| 1 | 2 | 3 | 4 |
|------|---------------------|------------------|--|
| Line | Mayor’s proposal | Budget amendment | 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 | £37,300,000 | | £ aggregate of the amounts for the items set out in s85(4) of the GLA Act for LLDC (lines (71) + (72) + (73) + (74) above) |
| 76 | -£26,800,000 | | -£ estimate of LLDC’s income <u>not</u> 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 | £26,800,000 | | -£ aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (76) + (77) + (78) + (79) + (80)) |
| 82 | -£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 | -£37,300,000 | | -£ aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (81) + (82) above) |
| 84 | £0 | | £ the component council tax requirement for LLDC (being the amount by which the aggregate at (75) above exceeds the aggregate at (83) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for LLDC for 2015-16 is: £0

Part 7: The Greater London Authority ("GLA") draft consolidated council tax requirement calculations

NOTE: Amendments to the draft consolidated council tax will take effect as follows. Where a figure is shown in column 3, the figure in column 2 is amended to the figure in column 3. If no figure is shown in column 3, then the figure in column 2 shall be taken to apply un-amended. If "nil" or "£0" is shown in column 3, then the figure in column 2 is amended to nil.

| 1 | 2 | 3 | 4 |
|------|---------------------|---------------------|---|
| Line | Mayor's proposal | Budget amendment | Description |
| 85 | £776,318,766 | £786,863,120 | 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 2015-16 is: £786,863,120