

MAYOR OF LONDON

The Mayor of London's Capital Spending Plan for 2014-15

February 2014

Contents

	Page
Section 1: Statutory capital spending plan	3
Section 2: Mayor’s Office for Policing and Crime	7
Section 3: London Fire Emergency and Planning Authority.....	10
Section 4: Transport for London	12
Section 5: London Legacy Development Corporation.....	16
Section 6: Greater London Authority.....	18

Section 1: Statutory capital spending plan

Background

- 1.1 The Mayor is required, under section 122 of the Greater London Authority (GLA) Act 1999 (the 'GLA Act'), each financial year to prepare a capital spending 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.
- 1.2 The statutory procedure under section 123 of the GLA Act requires the Mayor to send a copy of the draft plan to the London Assembly and each of the functional bodies before 15 January each year, inviting them to submit written comments to him within 21 days. The draft capital spending plan was included in section 8 of the Mayor's consultation document on his draft consolidated budget which was issued on 20 December 2013 and the statutory consultation requirement was met as part of that process. Before approving this final capital spending plan, the Mayor considers any comments submitted as part of the budget consultation process and makes such revisions as he sees fit, having had regard to the responses made.
- 1.3 An updated version of the capital spending plan for the GLA Group was included in the Mayor's final draft consolidated document presented to the London Assembly on 14 February. The final draft consolidated budget was approved unamended by the Assembly. This final capital spending plan is consistent with the figures set out in the final draft consolidated budget documentation with the exception of a revision to the Greater London Authority plan to incorporate an additional £9 million of expenditure in respect of the Mayor's Outer London and High Streets Fund. This amendment flows consequentially from the allocations made within the final consolidated revenue budget.
- 1.4 The capital spending plan has to be sent to the Secretary of State (DCLG) before 28 February and copies sent to the Assembly and the functional bodies.

Capital spending plan

- 1.5 The prescribed format of the capital spending plan and its contents are set out in section 122 of the GLA Act 1999, as amended by the Local Government Act 2003. The plan is to be in four sections, which the Act describes in some detail. The four parts can be categorised as follows:

Section A – a statement of the resources each functional body will have for capital expenditure by virtue of capital grants and capital receipts.

Section B – a statement of the resources each functional body will have for capital expenditure by virtue of borrowing.

Section 1: Statutory capital spending plan

Section C – a statement for each functional body of total expenditure for capital purposes that the Mayor expects the body to incur and the total amounts which the Mayor expects to be treated as borrowing in the year.

Section D – a breakdown of this total capital spending showing how much the Mayor expects the body to meet out of capital grants; its capital receipts; amounts to be met from borrowing; and how much out of revenue.

1.6 Set out below is a summary of the key deliverables in the Mayor's CSP:

- through the Mayor's Regeneration Fund and the Outer London Fund, bringing vitality to London's high streets. Local economies will be strengthened, jobs created and safeguarded, public realm transformed and local infrastructure will be made fit for the future;
- investment to improve the public's access to policing services by widening access channels for the public;
- the modernisation of LFEPA's estate, the replacement of the London Fire Brigades mobilising system and the provision of vehicles and equipment to maintain front line fire service delivery;
- increasing the supply of affordable homes, delivering 100,000 over the two Mayoral terms – supporting up to 200,000 jobs – and identify new and better approaches to increasing housing supply;
- reducing Tube delays by 30 per cent by 2015 compared to 2011;
- adding an extra carriage to all four car London overground trains;
- continuing to deliver Crossrail which will lead to London's rail network capacity increasing by 10 per cent;
- delivering the Northern Line extension to Battersea Power Station; and
- promoting and delivering the regeneration of the Queen Elizabeth Olympic Park and surrounding area.

Section 1: Statutory capital spending plan

- 1.7 The table below sets out the Mayor's statutory capital spending plan for 2014-15 which totals £6.29 billion. This includes the spending plans for the GLA for completeness although they are not required to be included under section 122 of the GLA Act.

Table 1 – Final Statutory Capital Spending Plan 2014-15

Section		GLA	MOPAC	LFEPA	TfL	LLDC
		£m	£m	£m	£m	£m
A	Total external capital grants	827.8	47.4	14.9	3,652.0	141.3
	Opening balance of capital receipts	0.0	2.9	0.0	0.0	0.0
	Total capital receipts during the year	40.1	97.0	0.0	8.4	3.0
	Total capital grants/ receipts	867.9	147.2	14.9	3,660.4	144.3
B	Minimum s.120(1) grant	0.0	0.0	0.0	0.0	0.0
	Total borrowings during the year	373.0	218.0	48.0	627.9	0.0
	Total borrowings	0.0	0.0	0.0	0.0	0.0
	Total borrowings and credit arrangements	373.0	218.0	48.0	627.9	0.0
C	Total capital expenditure anticipated during the year	1,607.5	368.2	38.4	4,108.2	144.3
	Total credit arrangements	0.0	0.0	24.5	0.0	0.0
	Total capital spending for the year	1,607.5	368.2	62.9	4,108.2	144.3
D	Funding: capital grants	861.2	47.4	14.9	3,471.9	81.1
	Funding: capital receipts/reserves	73.2	97.0	0.0	8.4	63.2
	Funding: borrowings and credit arrangements	373.0	218.0	48.0	627.9	0.0
	Funding: revenue contributions incl. BRS	300.1	5.8	0.0	0.0	0.0
	Total funding	1,607.5	368.2	62.9	4,108.2	144.3

- 1.8 Although the statutory capital spending plan has to be approved by the Mayor, each body is responsible for preparing and approving its own detailed capital spending programme. The following sections provide a breakdown of the four functional bodies' proposed programmes along with those of the core GLA.
- 1.9 Set out below is a summary of the Mayor's proposed Capital Plan for 2014-15 and 2015-16 compared to the forecast 2013-14 outturn. This illustrates that overall the GLA Group will be investing an additional £1,037 million in 2014-15 compared to 2013-14. This is largely because of the phasing of TfL's capital investment programme - including Crossrail and the Tube upgrade - and a higher level of housing related expenditure within the GLA. The programme for 2015-16 is provisionally £5,273.5 million which is just over £1 billion lower than the 2014-15 plan - which primarily reflects the profiling of GLA Housing capital expenditure and the tailing off of the GLA's contribution towards the cost of Crossrail.

Section 1: Statutory capital spending plan

Table 2 – Summary of Capital Spending Plans from 2013-14 to 2015-16

Summary of the Capital Plan 2013-14 to 2015-16	2013-14 Forecast £m	2014-15 Plan £m	2015-16 Plan £m	3 year Total £m
GLA	1,385.2	1,607.5	796.0	3,788.7
MOPAC	177.8	368.2	224.1	770.1
LFEPa	14.5	62.9	45.0	122.4
TfL	3,422.7	4,108.2	4,115.6	11,646.5
LLDC	253.8	144.3	92.8	490.9
Total	5,254.0	6,291.1	5,273.5	16,818.6

- 1.10 The Mayor will also approve the borrowing limits and prudential indicators for 2014-15 for each functional body as part of a separate Mayoral Decision in March 2014. The limits and indicators agreed will have regard to the capital spending plans set out in this document.
- 1.11 Please note that some of the tables in this capital spending plan may not sum exactly due to rounding.

Section 2: Mayor's Office for Policing and Crime

- 2.1 The Mayor's Office for Policing and Crime (MOPAC) works on behalf of Londoners to hold the Metropolitan Police Service (MPS) to account and improve the provision of criminal justice services across the capital.
- 2.2 MOPAC has undertaken a fundamental review of the capital investment needed to support the Mayor's 20-20-20 vision - cutting crime by 20 per cent, increasing confidence in the Met by 20 per cent and cutting costs by 20 per cent. Through projects such as MetInfoTech and the development of the Corporate Real Estate Plan the MPS has reconstructed its capital plan.
- 2.3 The main elements of MOPAC's Capital Plan over the next two years are to meet the renewal needs of the current ageing infrastructure and support new initiatives to meet the requirements of Total Policing and the emerging demand to support the Met Change Programme and the One Met model. MOPAC's Capital Plan is critical to improving public access to the Police by co-locating front counters in hospitals, fire stations, council housing estate offices, libraries, supermarkets and other appropriate locations. The Capital Plan also includes the release of underutilised assets to both help reduce costs and allow re-investment to support the re-organisation of the MPS.
- 2.4 The gross capital spending plan totals £368.2 million for 2014-15 with estimated expenditure for 2015-16 being £224.1 million. The Mayor's proposed increase in MOPAC's capital spending plan of £190.4 million in 2014-15 compared to 2013-14 represents a significant but necessary change in the volume of projects delivered by the MPS compared to the previous decade. The increased capital programme is possible because of the improving yield in capital receipts from the Corporate Real Estate programme and is therefore deliverable without any additional net call on the council taxpayer over the period of the plan.
- 2.5 Funding sources for the capital spending plan comprise Government grants, third party contributions, reserves, capital receipts, revenue contributions, other third party income and borrowing.
- 2.6 Table 3 overleaf summarises the proposed capital programme by operational theme and how it will be financed.

Section 2: Mayor's Office for Policing and Crime

Table 3 – MOPAC Capital expenditure by operational theme

MOPAC's final capital plan	Forecast Outturn 2013-14 £m	Proposed Programme 2014-15 £m	Proposed Plan 2015-16 £m
Operational theme			
Communications	3.3	7.5	3.5
Control Infrastructure	16.6	37.7	30.1
Criminal Justice	23.2	23.9	14.8
Enabling IT Infrastructure	25.4	50.1	24.2
Estate Transformation	44.3	127.2	86.1
Mobility	5.2	19.1	11.2
Public Access & 24/7 Policing	17.2	36.5	25.7
Specialist Policing	38.9	28.6	18.1
Support Services Transformation	3.6	37.6	10.4
Total	177.8	368.2	224.1
Funding:			
Capital receipts	92.5	97.0	185.5
Prudential Borrowing	29.0	218.0	0.0
Capital grants & other contributions	52.0	47.4	37.3
Revenue contributions	4.3	5.8	1.3
Total funding	177.8	368.2	224.1

- 2.7 The impact of the changes to the 2014-15 and 2015-16 plans compared to last year's capital spending plan are summarised below:

Table 4 – Year on Year Changes to MOPAC Spending Plans Previously Agreed by Mayor in the 2013-14 Capital Spending Plan

Changes in Capital Spending Plan	2014-15 £m	2015-16 £m
Net changes to capital spending plan	129.7	72.1
Total	129.7	72.1

Section 2: Mayor's Office for Policing and Crime

- 2.8 The capital programme has been built upon MOPAC being able to afford £218 million of borrowing in 2014-15 to support capital investment. This level of borrowing has been determined in accordance with the indicators set down within the Prudential (Code) borrowing framework. Borrowing is presently constrained by the Mayor's borrowing limits for the GLA Group as a whole, and the resultant capital financing charges and their impact on the revenue budget.
- 2.9 The financing costs in the revenue budget relate to its Minimum Revenue Provision and external interest payments as shown in the table below.

Table 5 – MOPAC Capital financing costs

Capital financing costs	2014-15	2015-16
	£m	£m
Minimum revenue provision for debt repayment	30.4	35.8
External interest	29.3	35.8
Total financing costs	59.7	71.6

- 2.10 The estimated incremental impact of the capital investment decisions on the council tax for MOPAC are set out below:

Table 6 – Incremental impact on council tax of capital investment decisions (£ per band D property)

MOPAC Council tax impact (£ per band D property)	Proposed	Proposed
	2014-15	2015-16
Incremental impact on council tax	0.23	-0.30

Section 3: London Fire and Emergency Planning Authority

- 3.1 The London Fire and Emergency Planning Authority (LFEPA) is responsible for fire and rescue services in London and it supports the 32 London boroughs and the Corporation of London in their emergency planning roles. Its capital programme has been developed to support achievement of its overall objective of making London a safer city. Overall, the projected capital expenditure at this stage for the Authority in 2014-15 amounts to £62.9 million.
- 3.2 LFEPA's Capital Plan is forecast to increase by £48.4 million from £14.5 million in 2013-14 to £62.9 million in 2014-15. The Capital Plan for 2015-16 is £45.0 million. The aggregate Capital Plan for the next two years of £107.9 million includes the following investment:
- Procurement of the brigade's fleet of £26.2 million;
 - Concessionary arrangements of £52.7 million, relating to provision of the brigade's PFI property project to deliver nine new fire stations; and
 - The replacement of the Control and Mobilisation System of £6.1 million.
- 3.3 Table 7 below summarises the current proposed capital programme and spending plans against likely funding sources including affordable borrowing levels.

Table 7 - LFEPA Final Capital Plan

LFEPA's final capital plan	Forecast Outturn 2013-14 £m	Plan 2014-15 £m	Plan 2015-16 £m
IT projects	3.7	7.3	3.1
Resilience projects	0.5	0.0	0.0
Refurbishment of fire stations	2.0	3.9	6.1
New/Replacement fire stations	4.0	1.7	0.1
Other property projects	0.8	0.0	0.0
Sustainability projects	1.7	1.9	1.1
Minor improvements programme	0.8	0.6	1.0
Contingency programme	0.0	1.4	0.9
Service concessions	0.0	24.5	28.2
Other projects including Fire Brigade fleet re-procurement	1.0	21.6	4.6
Total capital expenditure	14.5	62.9	45.0
Funding			
Capital receipts	1.2	0.0	0.0
Borrowing and PFI leases	6.3	48.0	40.1
Capital grants	6.9	14.9	4.9
Revenue contributions	0.0	0.0	0.0
Total funding	14.5	62.9	45.0

Section 3: London Fire and Emergency Planning Authority

- 3.4 The impact of the changes to the 2014-15 and 2015-16 plans compared to last year's capital spending plan are summarised below:

Table 8 – Year on Year Changes to LFEPA Spending Plans Previously Agreed by Mayor in the 2013-14 Capital Spending Plan

Changes in Capital Spending Plan	2014-15 £m	2015-16 £m
Net changes to capital spending plan	46.7	33.2
Total	46.7	33.2

- 3.5 The current planned programme is dependent upon the available funding which in turn will depend to a large extent upon the value and timing of capital receipts and the availability of revenue and external grant funding. Prudential borrowing for 2014-15 including PFI Leases is £48.1 million. Pending confirmation of future capital funding for 2015-16 onwards it is assumed at this stage that the programme in that year will be primarily financed from borrowing.
- 3.6 The financing costs in the revenue budget relate to Minimum Revenue Provision and payments on capital expenditure as shown in the table below.

Table 9 – Capital financing costs

LFEPA Capital financing costs	2014-15 £m	2015-16 £m
External interest and MRP	10.6	12.3
Total financing costs	10.6	12.3

- 3.7 The estimated incremental impact of capital investment decisions on the council tax - which is nil over the plan period - is set out below:

Table 10 – Incremental impact on council tax of capital investment decisions (£ per band D property)

LFEPA Council tax impact (£ per band D property)	Proposed 2014-15	Proposed 2015-16
Incremental impact on council tax (£)	0.00	0.00

Section 4: Transport for London

- 4.1 Transport for London (TfL) is responsible for the planning, delivery and day-to-day operation of the Capital's public transport system, including London's buses, Underground and Overground, the Docklands Light Railway (DLR), Tramlink and London River Services. It is also responsible for managing the Congestion Charge, maintaining London's main roads and traffic lights, regulating taxis, making London's transport more accessible and promoting walking and cycling initiatives.
- 4.2 Its proposed capital spending plan for 2014-15 is £4,108 million and comprises the following
- investment in Rail, Underground and Tube Lines of £1,906 million;
 - investment in surface transport of £441 million;
 - investment in corporate projects and programmes of £143 million and
 - expenditure on Crossrail of £1,619 million.
- 4.3 The key deliverables in TfL's Capital Plan are:
- a 30 per cent reduction in tube delays by 2015 compared to 2011;
 - providing 33 per cent more capacity on the sub surface railways;
 - providing 20 per cent more capacity on the Northern Line by 2014;
 - £4 billion of investment in London's roads over the next decade;
 - upgrading Vauxhall, Victoria, Bond Street, Tottenham Court Road and Bank stations;
 - continuing to deliver Crossrail, which will transform rail capacity and journey times;
 - delivering the Northern Line Extension to Nine Elms and Battersea;
 - with the transfer of the West Anglia line to TfL in 2015, to transform these routes, supporting jobs and growth;
 - delivering up to 600 New Bus for London vehicles by 2016; and
 - £300 million for new transport projects that will unlock jobs and growth in key areas such as the Elephant and Castle and Tottenham.

Section 4: Transport for London

- 4.4 The increase in TfL's capital investment in 2014-15 of £686 million compared to its forecast expenditure in 2013-14 is principally as a result of additional capital expenditure on Crossrail rolling stock of £240 million, Surface transport of £187 million, Line upgrades of £163 million and the Northern Line extension of £123 million. Crossrail is delivered in partnership with the DfT, and full funding details are provided in TfL's Business Plan.
- 4.5 TfL's capital spending is financed from six main sources:
- Fares and ticket income;
 - Charges under the Congestion Charging Scheme;
 - Secondary revenue (such as advertising and property rentals);
 - Third party funding for specific projects, such as the GLA's contributions (financed by a business rate supplement) for Crossrail;
 - Department for Transport grant, with which Transport for London (TfL) has a settlement for the period to 2014-15 which includes support for Crossrail; and
 - Prudential borrowing and related financing (including bond issuances).
- 4.6 The Plan is balanced as income from fares and charges, together with government grant, secondary income, available reserves and borrowing fully meet the costs of operations and the Investment Programme including funding for Crossrail.
- 4.7 The TfL capital spending plan is summarised in the table below by mode.

Table 11 - TfL Final Capital Spending Plan

Capital spending plan	Forecast	Plan	Plan
	Outturn 2013-14 £m	2014-15 £m	2015-16 £m
Rail and Underground and Tube Lines	1,325.8	1,905.5	1,805.6
Surface Transport	254.6	441.1	517.5
Corporate	86.0	143.0	160.5
Crossrail	1,756.4	1,618.6	1,632.0
Total capital expenditure	3,422.8	4,108.2	4,115.6
Funding:			
Capital receipts/property sales	70.3	23.6	32.5
Grants to support capital expenditure	1,179.0	1,049.7	1,137.5
Borrowing	329.4	628.7	575.5
Crossrail funding sources	2,050.8	1,686.8	905.8
Revenue contributions	432.4	177.3	219.8
Working capital and reserves movements	-639.1	542.1	1,244.5
Total funding	3,422.8	4,108.2	4,115.6

Section 4: Transport for London

Rail and Underground and Tube Lines

- 4.8 Capital projects directly managed by Rail, London Underground and Tube Lines are shown in the table below:

Table 12: Rail and Underground and Tube Lines Capital Plan

LUL/Tube Lines Capital Spending Plan	Forecast	Plan	Plan
	Outturn		
	2013-14	2014-15	2015-16
	£m	£m	£m
Station upgrades	259.4	312.4	253.0
Line upgrades & capacity enhancements	706.2	868.8	551.7
Northern Line Extension	11.5	134.9	190.0
Crossrail rolling stock and depots	0.0	240.1	360.1
Other	348.8	349.3	450.8
Total capital expenditure	1,325.8	1,905.5	1,805.6

Surface Transport

- 4.9 Capital projects directly managed by Surface Transport are shown in the table below:

Table 13: Surface Transport Capital Plan

Surface Transport Capital Spending Plan	Forecast	Plan	Plan
	Outturn		
	2013-14	2014-15	2015-16
	£m	£m	£m
Buses	79.1	109.6	71.4
Other	175.5	331.5	446.1
Total capital expenditure	254.6	441.1	517.5

Corporate Directorates

- 4.10 Capital projects directly managed by Corporate Directorates within TfL are shown in the table below.

Section 4: Transport for London

Table 14: TfL Corporate Directorates

TfL Corporate Capital Spending Plan	Forecast	Plan	Plan
	Outturn		
	2013-14	2014-15	2015-16
	£m	£m	£m
Customer Experience, Marketing & Communications	7.7	4.1	4.1
Commercial Development	11.8	52.3	49.7
Integrated transport smartcard	5.8	3.1	-0.1
Future ticketing project	19.7	12.2	6.2
TfL Information Management	35.1	38.5	27.7
New Growth Areas	0.0	4.9	13.9
River Crossings	0.0	0.0	3.8
Other	5.9	27.9	55.2
Corporate expenditure excluding Crossrail	86.0	143.0	160.5
Crossrail contributions	1,756.4	1,618.6	1,632.0
Corporate expenditure including Crossrail	1,842.4	1,761.6	1,792.5

TfL Borrowing and Capital Financing

- 4.11 TfL's capital programme will require new borrowing of some £628.7 million for 2014-15 and £575.5 million in 2015-16. The financing costs in the revenue budget relate to interest payments in respect of capital expenditure as shown in the table below.

Table 15: Capital financing costs of TfL's Draft Capital Plan

TfL Capital financing	Plan	Plan
	2014-15	2015-16
	£m	£m
MRP and external interest	372.2	415.9
Total financing costs	372.2	415.9

- 4.12 The estimated incremental impact of capital investment decisions on the council tax is zero in each year as TfL's financing costs are not met from its council tax precept income.

Section 5: London Legacy Development Corporation

London Legacy Development Corporation

- 5.1 The London Legacy Development Corporation (“the Legacy Corporation”) is responsible for promoting and delivering physical, social, economic and environmental regeneration in the Queen Elizabeth Olympic Park and surrounding area. In particular, the Legacy Corporation aims to maximise the legacy of the Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of convergence.
- 5.2 Since the London 2012 Olympic and Paralympic Games, the Legacy Corporation has been working to clear the Games-time overlay, to connect the Park to surrounding neighbourhoods, and to complete the conversion of Park and venues to their legacy configuration. The Copper Box Arena, Timber Lodge and North Park re-opened in Summer 2013, with an events programme bringing 700,000 people back to the Park. Phased re-opening will continue in the spring of 2014, with the Stadium re-opening permanently in the summer of 2016. As the Park and venues re-open, the Legacy Corporation will begin to operate as a trading organisation, generating more of its own revenues.
- 5.3 The Mayor’s proposed capital spending plan for the LLDC is £144.3 million in 2014-15 which represents a reduction compared to the 2013-14 programme of £110 million which primarily reflects the phasing of the reopening and redevelopment of the Park . The main elements of the proposed LLDC Capital Plan are as follows:
- completing transformation works to clear the Olympic and Paralympic Infrastructure from the Park;
 - connecting the Park with surrounding communities;
 - completing the legacy transformation;
 - preparing sites within the Park for development;
 - implementing the Legacy Communities Scheme planning permission; and
 - delivering initiatives in the wider area around the Park.
- 5.4 The table below details capital expenditure and the known capital funding plan for 2014-15 to 2015-16 compared to the 2013-14 forecast outturn.

Section 5: London Legacy Development Corporation

Table 16 – LLDC Capital plan

LLDC's capital plan	Forecast Outturn 2013-14	Budget 2014-15	Plan 2015-16
	£m	£m	£m
Expenditure			
Park Opening and operations	211.6	114.0	64.9
Real estate and regeneration	15.5	19.0	24.5
Corporate activities	1.8	0.9	0.7
Irrecoverable VAT & contingency	24.9	10.4	2.7
Total expenditure	253.8	144.3	92.8
Funding			
Capital Grant	249.5	124.3	74.6
Capital receipts	2.4	17.0	17.7
Other grants and funding	1.9	3.0	0.5
Total funding	253.8	144.3	92.8

- 5.5 The LLDC's current capital plan does not include any requirement to borrow over the period 2014-15 to 2015-16 and therefore its planned debt repayment and financing costs are zero. Should there be a requirement to borrow in 2014-15 and 2015-16 this will result in financing costs being incurred in both years.

Table 17 – LLDC capital financing

LLDC Capital financing costs	2013-14	2014-15	2015-16
	£m	£m	£m
Debt repayment	0.0	0.0	0.0
Capital financing and interest costs	0.0	0.0	0.0
Total financing costs	0.0	0.0	0.0

- 5.6 The LLDC does not receive income directly from the council tax precept and is not currently scheduled to borrow over the three year planning precept. Therefore there is no incremental impact on council tax from its capital financing decisions.

Section 6: Greater London Authority

- 6.1 The Greater London Authority (GLA) is the strategic authority for London and supports the Mayor and Assembly in delivering their respective responsibilities and functions. The GLA's functional bodies whose capital spending plans are set out in the previous sections are its principal delivery arms: the Mayor's Office for Policing and Crime (MOPAC; overseeing the work of the Metropolitan Police Service - MPS); the London Fire and Emergency Planning Authority (LFEPA); Transport for London (TfL); and the London Legacy Development Company (LLDC) which became a Mayoral Development Corporation in 2012.
- 6.2 The GLA also works with partner organisations – the 32 London boroughs and the Common Council of the City of London, London Councils, Whitehall agencies and a range of other organisations from the private, public and voluntary sectors – to deliver the Mayor's vision to make London the best big city in the world.
- 6.3 The total GLA capital spending plan for 2014-15 is £1,607.5 million with an additional £796.0 million programmed for 2015-16. There are four main elements to this plan over the next two years:
- Crossrail – To borrow a further £373 million towards the GLA's contribution to the costs of Crossrail of £4.1 billion in 2014-15. This will be financed by the Crossrail Business Rate Supplement;
 - Northern Line extension to Battersea – funding of £135 million in 2014-15 and £190 million in 2015-16 is forecast to be paid to TfL to fund this project financed by a mixture of borrowing financed by forecast future business rates growth in the area and developer contributions;
 - Housing programmes with the priority being to deliver affordable housing for Londoners in line with the Mayor's commitment of 100,000 new affordable homes over his two Mayoral terms; and
 - Regeneration programmes such as the Mayor's Regeneration Fund, the Outer London Fund and the Growing Places Fund.
- 6.4 In financing the Capital Programme over the medium term the GLA will seek to optimise decisions on future borrowing to minimise costs, having made prudent estimates of the profile of the capital receipts that are planned to be realised. These will be addressed in the GLA's treasury management strategy.
- 6.5 Details on the main elements of the GLA capital spending plan are set out on the following pages.

Section 6: Greater London Authority

GLA Contribution to the Funding of Crossrail

- 6.6 The funding arrangements for Crossrail provide for the Mayor to borrow up to £3.5 billion towards its costs by 31 March 2015 of which £3 billion is expected to have been borrowed by the end of March 2014. The debt is now expected to be taken out by the Mayor according to the following profile.

Table 18 – Revised Profile of GLA Crossrail Borrowing (financed by BRS)

	2010-11	2011-12	2012-13	2013-14	2014-15
	£m	£m	£m	£m	£m
GLA Crossrail borrowing	800	700	700	800	373

- 6.7 The financing and repayment of this borrowing is being funded through a supplement on non-domestic ratepayers in London. Under the powers granted to the GLA in the Business Rate Supplements Act 2009 this may be levied at a rate of no more than 2p in the pound and only on properties with rateable values above £50,000. The Mayor confirmed in January 2010 that the Crossrail Business Rate Supplement (BRS) would be levied at a rate of 2p on non-domestic hereditaments with a rateable value above £55,000. This policy will be maintained in 2014-15.
- 6.8 Up to a further £600 million – representing the amount estimated to be generated by the Crossrail BRS exceeding the GLA’s financing costs during the construction period – will be used as direct financing towards Crossrail’s construction costs. Approximately £157 million is scheduled to be paid to TfL through the direct BRS contribution in 2014-15. As a result the total GLA contribution for 2014-15 towards Crossrail is budgeted to be £530 million (£373 million financed by borrowing in addition to the £157 million estimated direct contribution).
- 6.9 The option of a bond issuance to raise part of the sums required to support the GLA’s Crossrail contributions was utilised in July 2011, rather than through borrowing from the traditional Public Works Loan Board route. It is estimated that the lower financing costs compared to PWLB rates at that date will save the business rate payer around £65 million over the life time of the BRS.

Housing and Regeneration

- 6.10 As a result of the new devolution settlement, from April 2012 the GLA assumed considerable new responsibilities for the delivery of publicly funded housing programmes in London in addition to its existing strategic responsibilities. It has received all the HCA’s land and property assets in London, which together with the LDA’s portfolio of regeneration assets already under the Mayor’s control, and with those of the London Thames Gateway Development Corporation (LTGDC), provides an important platform for accelerating home building and regeneration.

Section 6: Greater London Authority

6.11 Over the next two years, the Mayor is planning to invest around £1.4 billion to support the delivery of an estimated 42,000 homes per annum and to tackle wider housing shortages and needs.

Regeneration and economic growth

6.12 The Mayor is committing substantial resources over the next three years to help areas and people affected by the riots and also those outer London centres and high streets suffering hardest from the economic downturn.

6.13 By working closely with the 32 London boroughs and other external organisations, the Mayor has used his Regeneration and Outer London funds to leverage funding in to invest in London's local places including delivering new infrastructure, jobs and opportunities across the capital, supporting growth and revitalising the capital's economy.

6.14 The London Enterprise Panel (LEP) has been set up to promote growth and drive job creation across London. The LEP has received over £100 million of funding from the Growing Places Fund to support this investment. It will also advise on the use of the business rate uplift from the Royal Docks Enterprise Zone.

6.15 The table overleaf summarises the GLA's capital spending plan to 2015-16.

Section 6: Greater London Authority

Table 19 – GLA Capital Spending Plan

GLA draft capital plan	Forecast Outturn 2013-14 £m	Plan 2014-15 £m	Plan 2015-16 £m
City Hall	0.7	0.6	0.6
Northern Line Extension (NLE) Contribution	0.0	135.0	190.0
Resources	0.0	0.0	0.0
London Waste and Recycling Board	0.0	0.0	0.0
Museum of London	1.0	0.7	0.0
Crossrail Contribution	875.0	530.0	9.0
Local Enterprise Partnership	0.03	14.3	42.8
Mayors Housing Covenant	34.9	190.9	76.3
National Affordable Housing Programme	150.0	76.9	6.0
Affordable Homes	20.0	299.8	356.7
First Buy	0.4	0.0	0.0
Mortgage rescue	4.1	0.0	0.0
Decent Homes Backlog	194.5	318.1	0.0
Traveller Pitch	0.0	1.5	0.0
Homelessness Change	0.8	5.4	0.0
Custom Build	0.0	5.0	0.0
Empty Homes - main programme	1.4	14.0	0.0
Regeneration	6.2	4.9	0.0
Land & Property	17.0	8.8	0.0
Other projects	39.0	48.5	17.6
Super Connected Cities Project	0.2	24.8	0.0
Old Street Roundabout Project	0.0	0.0	0.0
Compulsory Purchase Orders	39.9	33.1	23.9
Repayment of borrowing	0.0	0.0	0.0
Over programming	0.0	(104.7)	73.2
Total capital expenditure	1,385.2	1,607.5	796.0
Funding:			
Crossrail Business Rate Supplement (Revenue contribution)	75.0	157.0	9.0
Prudential borrowing (Crossrail)	800.0	373.0	0.0
LDA CPO provision	39.9	33.1	23.9
Northern Line Extension funding - borrowing	0.0	0.0	190.0
Northern Line Extension funding – developer contributions	0.0	135.0	0.0
Revenue Contributions excluding Crossrail BRS	0.5	8.1	1.6
Capital receipts and other Sales Income	26.6	40.1	39.7
Other Grants & Contributions	9.3	33.5	0.0
CLG Capital Grant (Growing places fund)	0.0	14.3	42.8
CLG Capital grant (Other)	433.9	813.5	489.1
Total capital funding	1,385.2	1,607.5	796.0

Section 6: Greater London Authority

6.16 The GLA's financing costs are set out below.

Table 20 – GLA Capital financing costs

GLA Capital financing costs	2014-15	2015-16
	£m	£m
Minimum revenue provision (MRP) for debt repayment	11.9	11.9
External interest (Non Crossrail)	7.5	7.0
External interest (Crossrail - financed by BRS)	121.0	130.0
Total financing costs	140.4	148.8

6.17 The estimated incremental impact of capital investment decisions on the council tax is zero in each year as GLA's financing costs are financed by government grant and Crossrail BRS income.