

March 2013

# **The Greater London Authority Consolidated Budget and Component Budgets for 2013-14**



|                                                                                | Page |
|--------------------------------------------------------------------------------|------|
| Introduction and Overview .....                                                | 3    |
| Greater London Authority (GLA): Mayor of London.....                           | 7    |
| Greater London Authority: London Assembly .....                                | 17   |
| Mayor's Office for Policing and Crime (MOPAC).....                             | 20   |
| London Fire and Emergency Planning Authority (LFEPA) .....                     | 27   |
| Transport for London (TfL) .....                                               | 33   |
| London Legacy Development Corporation (LLDC) .....                             | 40   |
| GLA Group: future years funding .....                                          | 45   |
| New Financial Regime .....                                                     | 53   |
| Council Tax Precept and Component budget Information.....                      | 59   |
| <b>Statutory component and consolidated budgets 2013-14:</b>                   |      |
| Greater London Authority: Mayor of London and London Assembly .....            | 66   |
| Mayor's Office for Policing and Crime.....                                     | 68   |
| London Fire and Emergency Planning Authority .....                             | 69   |
| Transport for London .....                                                     | 70   |
| London Legacy Development Corporation .....                                    | 71   |
| Statutory Consolidated Council Tax requirement .....                           | 72   |
| Summary of Consolidated Statutory Budget Calculations by functional body ..... | 73   |

Copies of this report are available on request. However, for environmental reasons, we have decided not to distribute widely a bound version of the report.

If you have access to the Internet, we would recommend that you visit <http://www.london.gov.uk/who-runs-london/greater-london-authority> to obtain an electronic copy of the report. If you do wish to print it, please use recycled paper.

## Section 1 - Introduction and Overview

---

- 1.1 The Greater London Authority (GLA) is the strategic authority for London and supports the Mayor and the London Assembly in delivering their respective responsibilities and functions. The GLA's four functional bodies 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 Corporation (LLDC). This document sets out the Mayor of London's final consolidated and component revenue budget proposals for 2013-14 for the GLA and each functional body. The Mayor's capital spending plan for 2013-14 was published separately on 27 February 2013.
- 1.2 The Mayor's key objective in this Budget is to maximise value for the taxpayer through the rigorous pursuit of savings and efficiencies while protecting frontline services and directing capital investment to key priorities. The key deliverables in this Budget are to:
- create 200,000 jobs over the course of this Mayoralty;
  - deliver 55,000 affordable homes;
  - directly invest £231 million in London's local places and infrastructure via the Growing Places Fund/London Enterprise Partnership, the Mayor's Regeneration Fund and the Outer London Fund;
  - maintain a police officer establishment at around 32,000;
  - improve public access to the Police by co-locating front counters;
  - maintain the existing targets for how quickly fire engines attend incidents;
  - improve reliability on the Tube by 30 per cent between 2011 and 2015;
  - add an additional carriage to all London overground trains and increase service frequency;
  - continue to deliver Crossrail which will lead to London's rail network capacity increasing by 10 per cent;
  - improve the experience for customers through contactless-bank-card payments across all TfL services;
  - deliver up to 600 New Bus for London vehicles as part of a large programme to introduce 1,600 hybrid buses by 2016;
  - improve cycling safety, enhance accessibility on the transport network, and invest in road improvements; and
  - promote and deliver the regeneration of the Olympic Park and surrounding area.

## Section 1 - Introduction and Overview

### Overall Gross Revenue expenditure of the Group

- 1.3 Set out below is a summary of the planned gross revenue expenditure of the GLA Group in 2013-14 compared to 2012-13.

| Total Gross Revenue and Capital Expenditure                                                            | 2012-13 <sup>2</sup><br>£m | 2013-14<br>£m | Change<br>£m | Change<br>% |
|--------------------------------------------------------------------------------------------------------|----------------------------|---------------|--------------|-------------|
| Revenue:                                                                                               |                            |               |              |             |
| GLA (Mayor and London Assembly) <sup>1</sup>                                                           | 403                        | 372           | -31          | -8%         |
| Mayor's Office for Policing and Crime (MOPAC)                                                          | 3,624                      | 3,270         | -354         | -10%        |
| London Fire and Emergency Planning Authority (LFEPA)                                                   | 460                        | 445           | -15          | -3%         |
| Transport for London (TfL)                                                                             | 6,496                      | 6,732         | 236          | +4%         |
| London Legacy Development Corporation (LLDC)                                                           | 28                         | 44            | 16           | +57%        |
| <b>Total Revenue (GLA Services)</b>                                                                    | <b>11,011</b>              | <b>10,863</b> | <b>-148</b>  | <b>-1%</b>  |
| Add business rates retention tariff payment to CLG to support local government services outside London | N/A                        | 342           | 342          | N/A         |
| <b>Total Revenue (including tariff payment)</b>                                                        | <b>11,011</b>              | <b>11,205</b> | <b>194</b>   | <b>+2%</b>  |

1. GLA revenue expenditure is net of funding applied to support LLDC.

2. Revenue figure for 2012-13 is the revised budget.

- 1.4 The overall reduction in revenue expenditure includes savings and efficiencies made in response to falls in Government funding – albeit partly arising from the one off nature of certain funding streams for the Olympics.
- 1.5 After allowing for fares, charges, other income and use of reserves, gross revenue expenditure of £11,242.9 million for 2013-14 (including rates retention tariff payments of £342.3 million and the intra group transfer from GLA to LLDC of £37 million excluded from the table above) translates into net expenditure to be financed from government grant, retained business rates and council tax precept of **£5,544.8 million**.

### Council Tax Precept

- 1.6 The GLA's precept is the amount of council tax the Mayor has to raise from London's 33 billing authorities (the 32 London boroughs and the Common Council of the City of London) to balance the GLA Group's revenue expenditure, after allowing for revenue grants from the Government and retained business rates.
- 1.7 The Mayor has reduced the Band D council tax for residents of the 32 London Boroughs from £306.72 to £303.00 – a decrease of £3.72 or 1.2 per cent. The precept for the Common Council of the City of London which is outside the Metropolitan Police area is £86.08.
- 1.8 The consolidated council tax requirement for 2013-14 is **£778.7 million**. This is £156.4m lower than in 2012-13 due to the combined effect of the precept reduction and the change in the council taxbase arising from the localisation of council tax benefit. Details of the component council tax requirements for each member of the GLA Group for 2013-14, and illustrative figures for later years, are set out overleaf.

## Section 1 - Introduction and Overview

| Component council tax requirements               | Approved<br>2012-13<br>£m | Approved<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|--------------------------------------------------|---------------------------|---------------------------|-----------------------|-----------------------|
| GLA                                              | 123.1                     | 97.6                      | 91.8                  | 91.8                  |
| MOPAC                                            | 695.0                     | 557.1                     | 552.8                 | 552.8                 |
| LFEPA                                            | 120.7                     | 128.4                     | 128.1                 | 128.1                 |
| TfL                                              | 6.0                       | 6.0                       | 6.0                   | 6.0                   |
| LLDC                                             | 0.0                       | 0.0                       | 0.0                   | 0.0                   |
| Collection fund (surplus)/deficit for prior year | -9.7                      | -10.4                     | 0.0                   | 0.0                   |
| <b>Consolidated council tax requirement</b>      | <b>935.1</b>              | <b>778.7</b>              | <b>778.7</b>          | <b>778.7</b>          |

- 1.9 The budget reflects the impact of the council taxbase information and collection fund surplus data for the 33 London billing authorities supplied to the GLA in January and February 2013. The approved council tax requirement reflects the allocation of the Council Taxbase buoyancy and reported net Collection Fund surplus across the 33 authorities as well as the Mayor's final decisions on his precept, the information on government grant funding available at the date the budget was set and decisions on prioritisation of GLA projects.
- 1.10 There is considerable uncertainty over the final yield from retained business rates and collection rates in respect of precept income following the localisation of council tax support. In order to provide revenues to manage this uncertainty the GLA's Precept Resilience Reserve has been increased to £47.4 million. This is designed to ensure that sufficient resources are retained centrally to meet the funding commitments set out in this budget should the business rates retention and council tax outturn for 2013-14 vary from the budgeted forecasts.
- 1.11 Council Tax and the other sources of revenue finance for 2013-14 are summarised below:

|                                                           | £m           | Per cent |
|-----------------------------------------------------------|--------------|----------|
| Spending plans                                            | 11,242.9     | 100      |
| <i>Less:</i>                                              |              |          |
| Fares, charges and other income                           | -5,634.6     | 50       |
| Specific and General Government Grants                    | -3,822.6     | 34       |
| Retained Business Rates                                   | -943.5       | 8        |
| Use of Reserves                                           | -53.1        | 1        |
| Borough Council Tax collection fund surpluses             | -10.4        | -        |
| <b>Consolidated Council tax requirement for GLA Group</b> | <b>778.7</b> | <b>7</b> |

## Section 1 - Introduction and Overview

---

### Mayor and Assembly components

- 1.12 For the purpose of budget setting under the GLA Act the Mayor of London and London Assembly are treated as separate constituent bodies. The component budget for the Assembly comprises estimates for direct expenditure and income, appropriate contingencies and financial reserves for assembly functions. The budget for the Mayor comprises the rest of the GLA and includes expenditure incurred on accommodation in relation to the Assembly's business, and goods and services provided or procured for the Authority in general.

### Further information

- 1.13 This document reflects the statutory budget plans approved by the Mayor and Assembly under sections 85 to 89 of the GLA Act 1999 in February 2013. Subject to remaining within the agreed council tax requirements, the GLA and functional bodies may revise their budget and therefore their published budget or business planning documentation issued subsequently may differ from the figures presented here.
- 1.14 Further information on the budget and funding for each constituent body within the GLA Group is presented in organisational terms in Sections 2 to 7 of this document. The GLA's budget plans are shown first and the remainder are presented in order of magnitude of the budget and council tax requirements. Section 8 sets out the future years funding position for the GLA and each functional body in respect of government grant and section 9 explains how the new business rates retention system and the impact of the localisation of council tax support from April 2013 will affect the GLA, Section 10 sets out the consolidated budget and council tax requirements. Please note that figures in the tables throughout the document may not sum exactly due to rounding.
- 1.15 This document along with the Mayor's capital spending plan and the consultation, draft and final draft budgets issued during the budget development process are available on the GLA website at <http://www.london.gov.uk/who-runs-london/greater-london-authority/budget-2012-13>.
- 1.16 There are also more detailed public documents relating to the budget, including those that have been the subject of individual scrutiny and discussion by the functional bodies. These are available on the GLA's and functional bodies' websites. For further information on these documents, or generally in respect of the budget, please contact:

Doug Wilson (for GLA)

e-mail: [doug.wilson@london.gov.uk](mailto:doug.wilson@london.gov.uk)

Martin Mitchell (for MOPAC, LFEPA & TfL)

e-mail: [martin.mitchell@london.gov.uk](mailto:martin.mitchell@london.gov.uk)

Ray Smith (for LLDC)

e-mail: [ray.smith@london.gov.uk](mailto:ray.smith@london.gov.uk)

## Section 2 – Greater London Authority: Mayor of London

---

### Introduction

- 2.1 The GLA is a strategic authority with a London-wide role to design a better future for the capital. The Mayor of London sets a citywide vision of improvement, develops strategies and policies to realise the vision and provides funding and encouragement to help make it a reality. The London Assembly holds the Mayor to account by examining his decisions and actions to ensure he delivers on his promises to Londoners.
- 2.2 Alongside the four functional bodies 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.

### Key deliverables

- 2.3 The key deliverables for the GLA for 2013-14 are:
- contributing to the Mayor's target of creating 200,000 jobs;
  - directly investing £231 million in London's local places and infrastructure via the Growing Places Fund/London Enterprise Partnership, the Mayor's Regeneration Fund and the Outer London Fund;
  - securing a lasting Olympic and Paralympic legacy, including 11,000 new homes;
  - transforming the Royal Docks into a first class business and leisure destination;
  - achieving 250,000 additional apprenticeship starts;
  - continuing progress in opening ten academies to improve opportunities for young people and developing the Mayor's Education Programme;
  - achieving the Mayor's target of 55,000 affordable homes by the end of 2015;
  - retrofitting an additional 20,000 London homes;
  - implementing the Super-Connected Cities project; and
  - planting 10,000 new street trees.

### **Gross revenue expenditure**

- 2.4 The Mayor's gross revenue expenditure in 2013-14 is £744.3 million. After netting off the £342.3 million tariff payment payable to CLG in respect of business rates retention and the intra group grant payments to LLDC of £37.4 million the gross revenue expenditure on GLA services is £364.6 million – £31.1 million or 8 per cent lower than 2012-13.

### **Net revenue budget and council tax requirement**

- 2.5 After deducting fees, charges, investment income, business rate supplement revenues for Crossrail, and use of election and general reserves from the gross revenue expenditure figure, net expenditure for 2013-14 for the Mayor is £177.2 million. After deducting income from government grants, retained business rates and the element of the GLA's business rates income used to meet its £342.3 million tariff payment the council tax requirement for the Mayor is £95.0 million before the application of the net collection fund surpluses across the 33 London billing authorities of £10.4 million. After the application of the net collection fund surplus the statutory council tax requirement is £84.6 million.

### **Budget Summary**

- 2.6 The key changes in income and expenditure between years for each of the main service areas are set out in the tables below. The first table below provides the Mayor's separate component budget on an objective basis. The second table provides the budget on a subjective basis.

## Section 2 – Greater London Authority: Mayor of London

| Objective analysis                                                  | Revised<br>budget<br>2012-13<br>£m | Forecast<br>Outturn<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|---------------------------------------------------------------------|------------------------------------|--------------------------------------|-------------------------|-----------------------|-----------------------|
| <b>Directorate expenditure</b>                                      |                                    |                                      |                         |                       |                       |
| Volunteering, Team London & Sponsorship                             | 0.0                                | 0.0                                  | 0.7                     | 0.7                   | 0.7                   |
| Development & Enterprise                                            | 29.8                               | 16.5                                 | 22.8                    | 17.5                  | 7.4                   |
| External Affairs                                                    | 8.3                                | 8.4                                  | 5.7                     | 5.2                   | 5.2                   |
| Communities & Intelligence                                          | 22.0                               | 19.7                                 | 19.8                    | 23.3                  | 27.3                  |
| Housing & Land                                                      | 29.5                               | 27.7                                 | 23.4                    | 23.8                  | 13.8                  |
| Resources                                                           | 22.8                               | 23.4                                 | 25.3                    | 25.3                  | 25.1                  |
| Corporate Management Team                                           | 1.3                                | 1.3                                  | 1.3                     | 1.3                   | 1.3                   |
| Mayor's Office                                                      | 4.5                                | 3.9                                  | 4.2                     | 4.2                   | 4.2                   |
| Elections                                                           | 12.9                               | 12.9                                 | 0.3                     | 0.8                   | 6.5                   |
| London 2012                                                         | 53.1                               | 50.2                                 | 0.0                     | 0.0                   | 0.0                   |
| <b>Sub-total Directorate expenditure</b>                            | <b>184.2</b>                       | <b>164.0</b>                         | <b>103.5</b>            | <b>102.1</b>          | <b>91.5</b>           |
| Olympic Funding Agreement                                           | 58.6                               | 58.6                                 | 61.0                    | 61.0                  | 61.0                  |
| London Waste & Recycling Board                                      | 1.5                                | 1.5                                  | 1.5                     | 1.5                   | 0.0                   |
| Museum of London                                                    | 7.6                                | 7.6                                  | 7.6                     | 7.6                   | 7.6                   |
| London and Partners                                                 | 14.0                               | 14.0                                 | 11.9                    | 11.9                  | 11.9                  |
| London Legacy Development Corporation                               | 21.0                               | 21.0                                 | 37.4                    | 38.2                  | 10.0                  |
| Contingency                                                         | 4.8                                | 4.8                                  | 5.0                     | 5.0                   | 5.0                   |
| <b>Net service expenditure</b>                                      | <b>291.7</b>                       | <b>271.5</b>                         | <b>227.9</b>            | <b>227.3</b>          | <b>187.0</b>          |
| Financing costs & taxation                                          | 109.8                              | 106.4                                | 167.2                   | 213.4                 | 213.4                 |
| Business rates retention tariff payment <sup>1</sup>                | 0.0                                | 0.0                                  | 342.3                   | 342.3                 | 342.3                 |
| <b>Total net expenditure</b>                                        | <b>401.5</b>                       | <b>377.9</b>                         | <b>737.4</b>            | <b>783.0</b>          | <b>742.7</b>          |
| <b>Income</b>                                                       |                                    |                                      |                         |                       |                       |
| Crossrail Business Rate Supplement                                  | -101.0                             | -101.0                               | -144.0                  | -190.0                | -190.0                |
| Public Sector Funding Package                                       | -41.8                              | -41.8                                | 0.0                     | 0.0                   | 0.0                   |
| Interest receipts                                                   | -1.7                               | -14.2                                | -2.3                    | -2.0                  | -2.0                  |
| Business rates income to fund tariff                                | 0.0                                | 0.0                                  | -342.3                  | -342.3                | -342.3                |
| <b>Net revenue expenditure</b>                                      | <b>257.0</b>                       | <b>220.9</b>                         | <b>248.8</b>            | <b>248.6</b>          | <b>208.4</b>          |
| Transfer to/from reserves <sup>2</sup>                              | -52.0                              | -28.4                                | -95.8                   | -89.7                 | -53.0                 |
| Precept resilience                                                  | 0.0                                | 12.5                                 | 24.2                    | 11.8                  | 11.8                  |
| <b>Mayor's financing requirement</b>                                | <b>205.0</b>                       | <b>205.0</b>                         | <b>177.2</b>            | <b>170.7</b>          | <b>167.2</b>          |
| Specific grants                                                     | -39.8                              | -39.8                                | -16.6                   | -19.3                 | -15.8                 |
| Retained business rates                                             | 0.0                                | 0.0                                  | -29.8                   | -30.0                 | -30.0                 |
| Revenue support /GLA General grant                                  | -44.7                              | -44.7                                | -35.8                   | -32.1                 | -32.1                 |
| <b>Council tax requirement</b>                                      | <b>120.5</b>                       | <b>120.5</b>                         | <b>95.0</b>             | <b>89.3</b>           | <b>89.3</b>           |
| Application of Collection fund surplus                              | -9.7                               | -9.7                                 | -10.4                   | 0.0                   | 0.0                   |
| <b>Council tax requirement<br/>(net of collection fund surplus)</b> | <b>110.7</b>                       | <b>110.7</b>                         | <b>84.6</b>             | <b>89.3</b>           | <b>89.3</b>           |

1. In 2014-15 and 2015-16 this tariff payment will rise in line with the previous September's Retail Price Index.

## Section 2 – Greater London Authority: Mayor of London

|                                                              | Revised Budget | Forecast           | Budget        | Plan          | Plan          |
|--------------------------------------------------------------|----------------|--------------------|---------------|---------------|---------------|
|                                                              | 2012-13        | Outturn<br>2012-13 | 2013-14       | 2014-15       | 2015-16       |
| Subjective analysis                                          | £m             | £m                 | £m            | £m            | £m            |
| Staff costs                                                  | 38.1           | 39.7               | 35.9          | 35.9          | 35.8          |
| Premises costs                                               | 20.1           | 20.1               | 18.4          | 17.7          | 17.7          |
| Supplies and services                                        | 176.1          | 153.3              | 101.5         | 101.3         | 62.6          |
| Transfer payments to third parties:                          |                |                    |               |               |               |
| Olympic funding agreement                                    | 58.6           | 58.6               | 61.0          | 61.0          | 61.0          |
| London Waste and Recycling Board                             | 1.5            | 1.5                | 1.5           | 1.5           | -             |
| Museum of London                                             | 7.6            | 7.6                | 7.6           | 7.6           | 7.6           |
| London and Partners                                          | 14.0           | 14.0               | 11.9          | 11.9          | 11.9          |
| Capital financing costs:                                     |                |                    |               |               |               |
| Capital financing costs Crossrail                            | 101.0          | 101.0              | 144.0         | 190.0         | 190.0         |
| Capital financing costs Other                                | 5.8            | 2.4                | 7.9           | 7.9           | 7.9           |
| Minimum revenue provision                                    | -              | -                  | 12.3          | 12.4          | 12.4          |
| Business rates retention tariff and<br>forecast levy payment | -              | -                  | 342.3         | 342.3         | 342.3         |
| <b>Total revenue expenditure</b>                             | <b>422.8</b>   | <b>398.2</b>       | <b>744.3</b>  | <b>789.5</b>  | <b>749.2</b>  |
| Sales fees and charges                                       | -1.0           | -0.7               | -0.6          | -0.6          | -0.6          |
| Rental income                                                | -3.0           | -3.0               | -3.4          | -2.8          | -2.8          |
| Public sector funding package                                | -41.8          | -41.8              | -             | -             | -             |
| Crossrail BRS                                                | -101.0         | -101.0             | -144.0        | -190.0        | -190.0        |
| Interest receivable                                          | -1.7           | -14.2              | -2.3          | -2.0          | -2.0          |
| Business rates income applied to fund<br>tariff/levy payment | -              | -                  | -342.3        | -342.3        | -342.3        |
| Other income                                                 | -17.3          | -16.7              | -2.9          | -3.2          | -3.2          |
| <b>Total income</b>                                          | <b>-165.8</b>  | <b>-177.3</b>      | <b>-495.5</b> | <b>-540.9</b> | <b>-540.9</b> |
| <b>Net cost of services</b>                                  | <b>257.0</b>   | <b>220.9</b>       | <b>248.8</b>  | <b>248.6</b>  | <b>208.4</b>  |
| Transfer to/from reserves (excluding<br>precept resilience)* | -52.0          | -28.4              | -95.8         | -89.7         | -53.0         |
| Transfer to Precept resilience reserve                       | 0.0            | 12.5               | 24.2          | 11.8          | 11.8          |
| <b>Mayor's Financing requirement</b>                         | <b>205.0</b>   | <b>205.0</b>       | <b>177.2</b>  | <b>170.7</b>  | <b>167.2</b>  |
| Specific grants                                              | -39.8          | -39.8              | -16.6         | -19.3         | -15.8         |
| GLA General grant                                            | -44.7          | -44.7              | 0.0           | 0.0           | 0.0           |
| Retained business rates (funding)                            | 0.0            | 0.0                | -29.8         | -30.0         | -30.0         |
| Revenue support grant                                        | 0.0            | 0.0                | -35.8         | -32.1         | -32.1         |
| <b>Basic Council tax requirement</b>                         | <b>120.5</b>   | <b>120.5</b>       | <b>95.0</b>   | <b>89.3</b>   | <b>89.3</b>   |
| Collection fund surplus                                      | -9.7           | -9.7               | -10.4         | 0.0           | 0.0           |
| <b>Statutory council tax requirement</b>                     | <b>110.7</b>   | <b>110.7</b>       | <b>84.6</b>   | <b>89.3</b>   | <b>89.3</b>   |

## Section 2 – Greater London Authority: Mayor of London

### Explanation of budget changes

- 2.7 An analysis of the year on year movements in the council tax requirement is set out in the table below:

| Changes in the Mayor's council tax requirement | £m           |
|------------------------------------------------|--------------|
| <b>2012-13 council tax requirement</b>         | <b>120.5</b> |
| <i>Changes due to:</i>                         |              |
| Inflation                                      | 0.0          |
| Savings                                        | -2.4         |
| Efficiencies                                   | -4.7         |
| New initiatives and service improvements       | 0.7          |
| Change in use of reserves                      | -19.6        |
| Change in government grants                    | 2.3          |
| Other changes                                  | -1.8         |
| <b>2013-14 council tax requirement</b>         | <b>95.0</b>  |

### Inflation

- 2.8 The Mayor is making no explicit provision for inflation. However, the contingency provision allows for some inflationary pressures.

### Savings and efficiencies

- 2.9 The Mayor is making savings of £2.4 million and efficiencies of £4.7 million in 2013-14.

### Mayor - Savings & efficiencies

| Savings and efficiencies       | 2013-14<br>£m | 2014-15<br>£m | 2015-16<br>£m |
|--------------------------------|---------------|---------------|---------------|
| Staff costs                    | 1.9           | 1.9           | 1.9           |
| Premises costs                 | 0.1           | 0.1           | 0.1           |
| Programmes                     | 2.5           | 2.6           | 4.1           |
| External services              | 0.7           | 0.7           | 0.7           |
| Other supplies & services      | 0.3           | 0.3           | 0.3           |
| Audit fees                     | 0.1           | 0.1           | 0.1           |
| Contingency reduction          | 0.6           | 0.6           | 0.6           |
| Additional Interest receivable | 1.0           | 1.0           | 1.0           |
| <b>Total</b>                   | <b>7.1</b>    | <b>7.2</b>    | <b>8.7</b>    |

### New initiatives and service improvements

- 2.10 The Mayor is planning new initiatives and service improvements of £0.7 million.

## Section 2 – Greater London Authority: Mayor of London

### Change in Government Grants

- 2.11 Overall the grant funding allocated to the Mayoral component of the GLA budget is around £2.3 million lower than the Mayor's revised budget for 2012-13 due to the impact of the forecast revenues from the council tax support transition grant.
- 2.12 The reductions in funding through transformation revenues, the one off nature of the 2012-13 council tax freeze grant and the GLA general grant are offset by £17.6 million of new funding via the council tax support grant arising from the localisation of council tax benefit, £2 million via the council tax support transition grant and £6.9 million in respect of the 2011-12 council tax freeze grant which has not been allocated to LFEPA or MOPAC. This adjustment – offset by a corresponding uplift in the council tax requirement for MOPAC – means that its funding is provided entirely outside the rates retention system, which is the same basis as funding for Police and Crime Commissioners outside London. These figures reflect the impact of the final local government finance settlement approved by Parliament on 13 February.

### Other adjustments

- 2.13 The other adjustments of -£1.8 million reflect revised financing costs of £14.4 million offset by reductions in elections expenditure in 2013-14, interest receipts, and other minor changes. The collection fund surplus is excluded from the comparator – but is netted off in the statutory budget calculation for the GLA in both years.

### GLA Contribution to the Funding of Crossrail

- 2.14 The funding arrangements for Crossrail provide for the Mayor to borrow £3.5 billion towards its costs by 31 March 2015, of which £800 million was borrowed early in 2010-11 with £700 million borrowed in both 2011-12 and 2012-13. The debt is due to be taken out by the Mayor according to the following profile which was reapproved as part of TfL's settlement from the Secretary of State for Transport the Comprehensive Spending Review.

|                         | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-------------------------|---------|---------|---------|---------|---------|
|                         | £m      | £m      | £m      | £m      | £m      |
| GLA Crossrail borrowing | 800     | 700     | 700     | 800     | 500     |

- 2.15 The financing and repayment of this £3.5 billion of 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 2013-14.

## **Section 2 – Greater London Authority: Mayor of London**

---

- 2.16 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 £75 million is scheduled to be paid to TfL through the direct BRS contribution in 2013-14. As a result the total GLA contribution for 2013-14 is budgeted to be £875 million (£800 million financed by borrowing in addition to the £75 million direct contribution).
- 2.17 The option of a bond issuance to raise the additional sums required to support Crossrail was utilised in July 2012, 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.

### **Olympic precept**

- 2.18 The Mayor has committed to raise up to £625 million from London Council Taxpayers as a contribution to the public sector funding package for the 2012 Olympic Games and Paralympic Games over the period 2006-07 to 2016-17. Up to and including 2012-13 it is estimated that a total of £414 million will have been raised.
- 2.19 The Mayor's component budget includes the estimated sum of £61 million to be raised in 2013-14 - which includes a proportionate share of the GLA's council tax support grant. The present forecast is that £625 million will be raised by a Band D amount of £20 for 10 years and approximately £9 in year 11 (2016-17) – after allowing for the application of council tax support grant from 2013-14 onwards.

### **Capital Programme**

- 2.20 The GLA's Capital Programme (including Crossrail contributions) is set to increase from £4,961.7 million in the 2012-13 original capital plan to £5,604.5 million in 2013-14. This is due to TfL's capital investment programme. The capital programme is set out in more detail in the Mayor's capital spending plan for 2013-14 which has been published separately.

### **Determination of council tax requirement for Mayor and Assembly**

- 2.21 The GLA is required to determine separate council tax requirements for the Mayor and the London Assembly. This means that the sum of the GLA's general grant funding and retained business rates must be notionally apportioned between the Mayor and the London Assembly.
- 2.22 For the purposes of this budget it has been assumed that the most appropriate basis for apportionment would be to reflect the baseline funding position set in the 2010 Spending Review, as adjusted for the GLA's devolved functions. This was the basis used in last year's budget and leads to the Mayor accounting for 89.5 per cent, and the Assembly 10.5 per cent, of the baseline functions of the GLA.

## Section 2 – Greater London Authority: Mayor of London

- 2.23 For the purposes of this calculation this share has been applied to the former GLA general grant amounts which are now to be received in the form of the rates retention and non-police revenue support grant allocations (i.e. excluding council tax support and council tax freeze grant funding which are GLA group-wide resources). On this basis £4.8 million (£2 million via rates retention and £2.8 million via revenue support grant) of the £45.7 million notional GLA general grant payable for 2013-14 is attributable to the London Assembly.
- 2.24 The indicative council tax requirement for the Mayor in 2013-14 before the application of the collection fund surplus is therefore £95.0 million, £2.6 million for the Assembly and in aggregate for the entire GLA £97.6 million. The Assembly's requirement equates to £1.00p per band D council tax payer and the Mayor's to £36.90. The statutory council tax requirement (after applying the centrally held collection fund surplus to the Mayor's element) under the GLA Act is £87.2 million (comprising £84.6 million for the Mayor and £2.6 million for the Assembly allowing for rounding).
- 2.25 Set out in the table below are the shares of the council tax requirement for the Mayor and the London Assembly using the methodology outlines in paragraph 2.12.

| <b>Indicative calculation</b>                                   | <b>2012-13</b> | <b>2013-14</b> |
|-----------------------------------------------------------------|----------------|----------------|
| <b>Mayor and Assembly council tax requirements</b>              |                |                |
|                                                                 | <b>£m</b>      | <b>£m</b>      |
| Mayor's net expenditure                                         | <b>165.2</b>   | <b>177.2</b>   |
| Add specific grants for 2012-13 to produce comparable figure    | 76.6           |                |
| Mayor's net financing requirement                               | 241.8          | 177.2          |
| Less specific grants                                            | -76.6          | -16.6          |
| Less funding via rates retention                                |                | -29.8          |
| Less funding via revenue support grant                          |                | -35.8          |
| Less GLA Mayor share of GLA general grant                       | -44.7          |                |
| <b>Mayor's council tax requirement</b>                          | <b>120.5</b>   | <b>95.0</b>    |
| Assembly's net expenditure                                      | <b>7.7</b>     | <b>7.4</b>     |
| Less Assembly share of rates retention funding                  |                | -2.0           |
| Less Assembly share of GLA group RSG                            |                | -2.8           |
| Less Assembly share of GLA general grant                        | -5.1           |                |
| <b>Assembly's council tax requirement</b>                       | <b>2.6</b>     | <b>2.6</b>     |
| <b>Council tax requirement for Mayor and Assembly combined.</b> | <b>123.1</b>   | <b>97.6</b>    |
| Application of centrally held Collection Fund surplus           | -9.7           | -10.4          |
| <b>Council tax requirement on a like for like basis</b>         | <b>113.3</b>   | <b>87.2</b>    |

## Section 2 – Greater London Authority: Mayor of London

### Equalities

- 2.26 GLA officers have sought to prioritise administrative savings and have, wherever possible, protected what might be viewed as ‘frontline’ work with London’s communities. Key GLA programmes focused on equality groups, such as youth opportunities, have not been asked to make savings.

### Environmental impact

- 2.27 The Mayor is continuing to work towards improving London’s environment. Energy supply and master planning are key to delivering sustainable development for London’s economy. Investment will continue through a Decentralised Energy programme to help bring decentralised energy projects to the market.

### Reserves

- 2.28 At 31 March 2013 the GLA’s general reserves balance is expected to total £9.6 million. This balance is forecast to remain constant through to the end of 2015-16. In addition the GLA is forecast to hold £308.2 million of earmarked reserves at 31 March 2013 of which £8.6 million relates to elections. This high level of earmarked reserves reflects the London Settlement agreed with Government.
- 2.29 Earmarked reserves are forecast to reduce to £117.5 million at 31 March 2016 as resources received in the London Settlement are spent – reflecting the additional £24.2 million added to the precept resilience reserve from the uplift in council tax income sources compared to the draft budget in 2013-14 and the £11.8 million in the following two years arising from the higher than forecast council taxbase. In practice the actual sums available at that date will be dependent on the extent to which the precept resilience reserve is utilised to support group budget pressures - and are therefore likely to be release as required to support the MOPAC, LFEPA, GLA and TfL budgets. The earmarked reserves also include the £0.8 million Assembly Development and Resettlement Reserve.
- 2.30 Subject to the need to draw on the Precept Resilience Reserve, the expected movements in reserves over the planning period are set out in the table below.

| <b>Movement in GLA reserves during financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|-------------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| <b>Opening balances</b>                               | <b>62.82</b>                      | <b>317.5</b>                       | <b>317.8</b>                     | <b>246.2</b>                   | <b>168.3</b>                   |
| Transfers to/from:                                    |                                   |                                    |                                  |                                |                                |
| Election Reserve                                      | 1.2                               | -8.0                               | 4.2                              | 3.8                            | -2.0                           |
| Other earmarked reserves                              | 253.5                             | 8.3                                | -75.8                            | -81.7                          | -39.2                          |
| General reserves                                      | 0.0                               | 0.0                                | 0.0                              | 0.0                            | 0.0                            |
| <b>Closing balances</b>                               | <b>317.5</b>                      | <b>317.8</b>                       | <b>246.2</b>                     | <b>168.3</b>                   | <b>127.1</b>                   |

## Section 2 – Greater London Authority: Mayor of London

- 2.31 Subject to the need to draw on the Precept Resilience Fund, the expected total reserves at the end of each financial year are summarised below:

| <b>Total GLA reserves<br/>at end of financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|--------------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Elections Reserve                                      | 16.2                              | 8.6                                | 12.8                             | 16.6                           | 14.6                           |
| Other Earmarked reserves                               | 289.7                             | 299.6                              | 223.8                            | 142.1                          | 102.9                          |
| General reserves                                       | 11.6                              | 9.6                                | 9.6                              | 9.6                            | 9.6                            |
| <b>Total</b>                                           | <b>317.5</b>                      | <b>317.8</b>                       | <b>246.2</b>                     | <b>168.3</b>                   | <b>127.1</b>                   |

- 2.32 There is a net change in use of reserves of £19.6 million arising primarily from the application of sums received in the multi-year London Settlement offset by the £24.2 million uplift to the precept resilience reserve in recognition of the risks associated with rates retention and council tax benefit localisation.

## Section 3 – Greater London Authority: London Assembly

---

### Introduction

- 3.1 The separate component budget for the London Assembly comprises GLA costs arising in respect of Assembly Members, of employees of the Authority who work as support staff for the Assembly, of goods or services procured solely for the purposes of the Assembly and of the support provided by the Assembly to London TravelWatch, the watchdog for transport users in and around London.

### Role of the Assembly

- 3.2 The aims of the Assembly are to:
- Hold the Mayor of London effectively to account
  - Conduct effective investigations into issues that matter to Londoners.
  - Represent the views of Londoners and raise issues of concern on their behalf; and
  - Sponsor and monitor London Travelwatch

### Key deliverables for the Assembly

- 3.3 The Assembly Secretariat has seven objectives to guide its work, to support:
- the Assembly and its committees to enable them to effectively hold the Mayor to account;
  - the Assembly and its committees to conduct effective investigations into issues of importance to Londoners;
  - Assembly Members in relation to their representative and constituency roles;
  - raising the profile of the work of the Assembly and enhancing its positive reputation among Londoners;
  - the effective governance of the GLA, including support for the work of the Monitoring Officer;
  - the Assembly in carrying out its statutory duties towards London TravelWatch; and
  - the Greater London Returning Officer in the effective planning and management of the Mayoral and London Assembly elections.

### Gross revenue expenditure

- 3.4 The Assembly's gross revenue expenditure for 2013-14 is £7.6 million – a reduction of £0.3 million compared to 2012-13.

## Section 3 – Greater London Authority: London Assembly

### Net revenue budget

- 3.5 The Assembly's net expenditure for 2013-14 is £7.4 million. This is 3.8 per cent lower than that in 2012-13 on a like for like basis. Deducting the respective GLA general grant and retained business rates shares for the Mayor and Assembly having regard to their respective 2013-14 net expenditure, results in a council tax requirement for the Assembly of £2.6 million in 2013-14. The revenue budget for the Assembly is set out in the tables below on an objective and subjective basis.

| Assembly Objective analysis    | Budget<br>2012-13<br>£m | Forecast<br>outturn<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Budget<br>Plan<br>2014-15<br>£m | Budget<br>Plan<br>2015-16<br>£m |
|--------------------------------|-------------------------|--------------------------------------|-------------------------|---------------------------------|---------------------------------|
| Assembly Members               | 1.7                     | 1.7                                  | 1.7                     | 1.7                             | 1.7                             |
| Member Services                | 2.3                     | 2.3                                  | 2.2                     | 2.2                             | 2.2                             |
| Scrutiny & Investigations      | 1.2                     | 1.1                                  | 1.2                     | 1.2                             | 1.2                             |
| Committee Services             | 0.5                     | 0.5                                  | 0.5                     | 0.5                             | 0.5                             |
| External Relations             | 0.3                     | 0.3                                  | 0.3                     | 0.3                             | 0.3                             |
| Director/Business Support      | 0.5                     | 0.7                                  | 0.4                     | 0.4                             | 0.4                             |
| London TravelWatch             | 1.2                     | 1.2                                  | 1.1                     | 1.1                             | 1.1                             |
| Savings to be found            | -                       | -                                    | -                       | -0.3                            | -0.3                            |
| <b>Net revenue expenditure</b> | <b>7.7</b>              | <b>7.7</b>                           | <b>7.4</b>              | <b>7.1</b>                      | <b>7.1</b>                      |
| Financed by:                   |                         |                                      |                         |                                 |                                 |
| GLA General grant              | -5.1                    | -5.1                                 | 0.0                     | 0.0                             | 0.0                             |
| Retained business rates        | 0.0                     | 0.0                                  | -2.0                    | -2.0                            | -2.0                            |
| Revenue support grant          | 0.0                     | 0.0                                  | -2.8                    | -2.6                            | -2.6                            |
| <b>Council tax requirement</b> | <b>2.6</b>              | <b>2.6</b>                           | <b>2.6</b>              | <b>2.5</b>                      | <b>2.5</b>                      |

| Assembly Subjective<br>analysis  | Revised<br>Budget<br>2012-13<br>£m | Forecast<br>Outturn<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|----------------------------------|------------------------------------|--------------------------------------|-------------------------|-----------------------|-----------------------|
| Staff costs                      | 6.3                                | 6.3                                  | 6.1                     | 6.1                   | 6.1                   |
| Supplies and services            | 1.6                                | 1.6                                  | 1.5                     | 1.5                   | 1.5                   |
| <b>Total revenue expenditure</b> | <b>7.9</b>                         | <b>7.9</b>                           | <b>7.6</b>              | <b>7.6</b>            | <b>7.6</b>            |
| <b>Total income</b>              | <b>-0.2</b>                        | <b>-0.2</b>                          | <b>-0.2</b>             | <b>-0.2</b>           | <b>-0.2</b>           |
| Savings to be identified         |                                    |                                      | -                       | -0.3                  | -0.3                  |
| <b>Financing requirement</b>     | <b>7.7</b>                         | <b>7.7</b>                           | <b>7.4</b>              | <b>7.1</b>            | <b>7.1</b>            |
| Specific grants                  |                                    |                                      |                         |                       |                       |
| GLA General grant                | -5.1                               | -5.1                                 | -                       | -                     | -                     |
| Retained business rates          | -                                  | -                                    | -2.0                    | -2.0                  | -2.0                  |
| Revenue grant                    | -                                  | -                                    | -2.8                    | -2.6                  | -2.6                  |
| <b>Council tax requirement</b>   | <b>2.6</b>                         | <b>2.6</b>                           | <b>2.6</b>              | <b>2.5</b>            | <b>2.5</b>            |

## Section 3 – Greater London Authority: London Assembly

### Council Tax requirement

- 3.6 As set out in Section 2, having regard to the respective 2013-14 budget requirements for the Mayor and Assembly results in an indicative council tax requirement for the Assembly of £2.6 million in 2013-14. The Assembly's requirement equates to £1.00 per Band D council tax payer.

### Explanation of budget changes

- 3.7 An analysis of the year on year movement in council tax requirements is set out below. An explanation of each change is detailed in the paragraphs that follow.

| Changes in the Assembly's council tax requirement | 2013-14<br>£m |
|---------------------------------------------------|---------------|
| <b>2012-13 council tax requirement</b>            | <b>2.6</b>    |
| <i>Changes due to:</i>                            |               |
| Inflation                                         | 0.0           |
| Savings                                           | 0.0           |
| Efficiencies                                      | -0.3          |
| Changes in government grants                      | 0.3           |
| <b>2013-14 council tax requirement</b>            | <b>2.6</b>    |

### Inflation

- 3.8 No explicit provision for inflation is made. However, the Mayor's contingency provision allows for some inflationary pressures within the GLA.

### Savings and efficiencies

- 3.9 The Assembly is making efficiencies of £0.3 million in 2013-14 as summarised below.

| Savings and efficiencies | 2013-14<br>£m | 2014-15<br>£m | 2015-16<br>£m |
|--------------------------|---------------|---------------|---------------|
| Staff costs              | 0.2           | 0.2           | 0.2           |
| Premises costs           | 0.1           | 0.1           | 0.1           |
| <b>Total</b>             | <b>0.3</b>    | <b>0.3</b>    | <b>0.3</b>    |

### Changes in Government grants

- 3.10 The Assembly's proportionate reduction in Government grants for 2013-14 is £0.3 million.

### Equalities

- 3.11 All the Assembly's efficiencies are related to administrative efficiencies and do not have an adverse equalities impact.

### Environmental impact

- 3.12 None of the Assembly's efficiencies have any adverse environmental impact.

## **Section 4 – Mayor’s Office for Policing and Crime (MOPAC)**

---

4.1 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. MOPAC is in a period of transition, as it establishes itself and develops its wider remit. The 2013-17 Police and Crime Plan will set the police and crime priorities for the remainder of the Mayor’s term. This plan is currently being developed and will be subject to wide-ranging consultation. The final plan will be published by 31 March 2013.

4.2 MOPAC’s priorities are to:

- hold the Metropolitan Police Service (MPS) to account and deliver the Mayor’s manifesto commitments and expectations;
- challenge the MPS and other criminal justice agencies to deliver value for money for the taxpayer and meet the challenge of service delivery with fewer resources in the years ahead; and
- ensure that all London’s public agencies work together and with communities to prevent crime, seek swift and sure justice for victims and reduce re-offending.

### **Key deliverables**

4.3 MOPAC’s challenge to the MPS over the next four years is to:

- drive down crime in key categories by at least 20 per cent;
- drive up public confidence in the MPS, as recorded by the Crime Survey for England and Wales, from 62 per cent to 75 per cent of Londoners thinking the MPS are doing a good or excellent job;
- maintain police officer numbers at around 32,000 and increase the visibility and availability of police officers on patrol in neighbourhoods;
- increase London’s confidence in their police by supporting the Commissioner to drive out racism and corruption in the MPS where it exists;
- ensure that the MPS maintains public order in London;
- improve public access to the MPS by co-locating front counters in hospitals, fire stations, council housing estate offices, libraries, supermarkets and other appropriate locations;
- improve services to victims of crime with MOPAC’s new statutory duty to commission victim support services; and

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

- make London safer for children and young people by tackling gang crime and serious youth violence and make London safer for women and girls by combating domestic violence.

### 4.4 MOPAC will:

- work closely with the MPS to reduce unnecessary overheads, duplication and back office waste, release underutilised assets and reform the Met’s policing model to deliver efficiencies whilst protecting the frontline; and
- play a leading role in criminal justice in London and devote itself to long-term reforms that improve policing and public safety, break down silos between boroughs and utilise additional partnership funding to fund new ways to reduce crime.

### Gross revenue expenditure

- 4.5 MOPAC has seen a significant reduction in its overall funding for 2013-14. Gross revenue expenditure has reduced by some £313 million from 2012-13 to £3,270 million reflecting the impact of reductions in specific grant funding following the conclusion of the Olympics and in general funding applied to all police forces in England.

### Explanation of budget changes

- 4.6 An analysis of the year on year movement in the council tax requirement is set out below and an explanation of each change is provided in the paragraphs that follow.

| Changes in the MOPAC’s council tax requirement | £m           |
|------------------------------------------------|--------------|
| <b>2012-13 council tax requirement</b>         | <b>695.0</b> |
| <i>Changes due to:</i>                         |              |
| Inflation                                      | 14.9         |
| Savings and net change in existing services    | -181.8       |
| Efficiencies                                   | -137.9       |
| New Initiatives                                | 4.6          |
| Change in Government grants                    | 126.7        |
| Change in Reserves                             | 50.3         |
| Other adjustments                              | -14.7        |
| <b>2013-14 council tax requirement</b>         | <b>557.1</b> |

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

### Net revenue expenditure and council tax requirement

- 4.7 The MOPAC's forecast of gross revenue expenditure for 2013-14 is £3,269.9 million. After deducting fees, charges, investment income, other income and use of reserves, net expenditure for 2013-14 before the application of government grants and council tax is £3,000.1 million. The council tax requirement for MOPAC is £557.1 million. MOPAC's revenue budget is summarised in the table below on an objective (i.e. business group) basis.

| Objective analysis                                             | Revised<br>Budget<br>2012-13<br>£m | Forecast<br>Outturn<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|----------------------------------------------------------------|------------------------------------|--------------------------------------|-------------------------|-----------------------|-----------------------|
| <b>Business Groups:</b>                                        |                                    |                                      |                         |                       |                       |
| Neighbourhood Policing                                         | 702.7                              | 686.7                                | 626.4                   | 624.3                 | 634.2                 |
| Pan London                                                     | 1,242.4                            | 1,208.0                              | 1,111.8                 | 1,113.9               | 1,112.6               |
| Control Infrastructure                                         | 322.8                              | 311.7                                | 302.1                   | 305.2                 | 295.3                 |
| Met HQ                                                         | 126.3                              | 123.9                                | 115.4                   | 116.1                 | 111.2                 |
| Support Services                                               | 808.2                              | 808.6                                | 694.2                   | 673.0                 | 631.6                 |
| <b>Total Business Groups</b>                                   | <b>3,202.4</b>                     | <b>3,138.9</b>                       | <b>2,849.9</b>          | <b>2,832.5</b>        | <b>2,784.9</b>        |
| Discretionary Pensions Costs                                   | 33.1                               | 41.8                                 | 38.3                    | 38.3                  | 38.3                  |
| Capital financing costs                                        | 57.4                               | 57.5                                 | 54.0                    | 61.0                  | 61.0                  |
| Interest receipts                                              | -0.8                               | -0.8                                 | -0.8                    | -0.8                  | -0.8                  |
| <b>Total corporate budgets</b>                                 | <b>89.7</b>                        | <b>98.5</b>                          | <b>91.5</b>             | <b>98.5</b>           | <b>98.5</b>           |
| Mayor's Office for Policing and Crime                          | 32.2                               | 31.8                                 | 31.3                    | 30.0                  | 29.3                  |
| <b>Net revenue expenditure</b>                                 | <b>3,324.3</b>                     | <b>3,269.2</b>                       | <b>2,972.7</b>          | <b>2,961.0</b>        | <b>2,912.7</b>        |
| Transfers to/from reserves                                     | -30.1                              | -3.0                                 | 27.3                    | -32.4                 | -18.9                 |
| <b>Net financing requirement</b>                               | <b>3,294.2</b>                     | <b>3,266.2</b>                       | <b>3,000.1</b>          | <b>2,928.6</b>        | <b>2,893.8</b>        |
| Specific Grants                                                | -693.0                             | -665.0                               | -354.5                  | -347.9                | -347.9                |
| Specific Grants – Council Tax Support                          | 0.0                                | 0.0                                  | -119.3                  | -119.3                | -119.3                |
| Home Office Police Grant                                       | -1,051.6                           | -1,051.6                             | -1,138.4                | -1,084.1              | -1,049.3              |
| Home Office Formula Grant                                      | -854.6                             | -854.6                               | -821.4                  | -815.1                | -815.1                |
| Business Rates Retention Funding                               | 0.0                                | 0.0                                  | 0.0                     | 0.0                   | 0.0                   |
| Revenue support grant (2011-12 council tax freeze grant share) | 0.0                                | 0.0                                  | -9.4                    | -9.4                  | -9.4                  |
| <b>Council tax requirement</b>                                 | <b>695.0</b>                       | <b>695.0</b>                         | <b>557.1</b>            | <b>552.8</b>          | <b>552.8</b>          |

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

4.8 The table below sets out the presentation of the budget on a subjective basis.

| Subjective analysis                | Budget<br>2012-13<br>£m | Forecast<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|------------------------------------|-------------------------|---------------------------|-------------------------|-----------------------|-----------------------|
| Total pay and overtime             | 2,726.9                 | 2,638.6                   | 2,515.2                 | 2,527.3               | 2,495.7               |
| Total running expenses             | 807.0                   | 824.1                     | 662.4                   | 631.5                 | 614.9                 |
| Capital financing costs            | 57.4                    | 57.5                      | 54.0                    | 61.0                  | 61.0                  |
| <b>Total expenditure</b>           | <b>3,591.3</b>          | <b>3,520.2</b>            | <b>3,231.6</b>          | <b>3,219.8</b>        | <b>3,171.5</b>        |
| <b>Income</b>                      |                         |                           |                         |                       |                       |
| Interest Receipts                  | -0.8                    | -0.8                      | -0.8                    | -0.8                  | -0.8                  |
| Other Income                       | -299.3                  | -292.0                    | -296.3                  | -296.3                | -296.3                |
| <b>Total income</b>                | <b>-300.1</b>           | <b>-292.8</b>             | <b>-297.1</b>           | <b>-297.1</b>         | <b>-297.1</b>         |
| Discretionary pension costs        | 33.1                    | 41.8                      | 38.3                    | 38.3                  | 38.3                  |
| <b>Net expenditure</b>             | <b>3,324.3</b>          | <b>3,269.2</b>            | <b>2,972.8</b>          | <b>2,961.0</b>        | <b>2,912.7</b>        |
| Transfer to/ from reserves         | -30.1                   | -3.0                      | 27.3                    | -32.4                 | -18.9                 |
| <b>Financing requirement</b>       | <b>3,294.2</b>          | <b>3,266.2</b>            | <b>3,000.1</b>          | <b>2,928.6</b>        | <b>2,893.8</b>        |
| Specific grants (Home office)      | -693.0                  | -665.0                    | -354.5                  | -347.9                | -347.9                |
| Council tax support specific grant | 0.0                     | 0.0                       | -119.3                  | -119.3                | -119.3                |
| Home Office police grant           | -1,051.6                | -1,051.6                  | -1,138.4                | -1,084.1              | -1,049.3              |
| Police formula grant               | -854.6                  | -854.6                    | -821.4                  | -815.1                | -815.1                |
| Business rate retention            | 0.0                     | 0.0                       | 0.0                     | 0.0                   | 0.0                   |
| Revenue support grant              | 0.0                     | 0.0                       | -9.4                    | -9.4                  | -9.4                  |
| <b>Council tax requirement</b>     | <b>695.0</b>            | <b>695.0</b>              | <b>557.1</b>            | <b>552.8</b>          | <b>552.8</b>          |

### Inflation

4.9 MOPAC has budgeted for an additional 1% pay award in each of the 3 years of the current plan, with additional non-pay inflation in 2015-16.

### Savings and efficiencies

4.10 MOPAC is making savings and net changes in existing services of £181.8 million and efficiencies of £137.9 million in 2013-14, largely as a result of police staff reductions, a revised police officer model and a new local policing model. These are summarised in the table below.

4.11 The budgeted police officer strength at 31 March 2014 is 31,209, at 31 March 2015 it is 31,993 and at 31 March 2016 it is 31,957. The Mayor, through MOPAC, will provide projections for the MPS’s workforce over the remainder of the Spending Review period using the Operational Policing Measure analysis when the information is finalised. The MPS will continually monitor the impact of staffing changes on police capacity.

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

| <b>Savings</b>                                        | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> |
|-------------------------------------------------------|----------------|----------------|----------------|
|                                                       | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| Inanimates                                            | -26.9          | -55.5          | -65.9          |
| Process improvement                                   | -21.3          | -52.2          | -52.2          |
| Operational capability and outsourcing/joint ventures | -12.8          | -11.9          | -11.9          |
| Other                                                 | -63.0          | -63.0          | -63.0          |
| <b>Total savings</b>                                  | <b>-124.0</b>  | <b>-182.6</b>  | <b>-193.0</b>  |

  

| <b>Efficiencies</b>                                   | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> |
|-------------------------------------------------------|----------------|----------------|----------------|
|                                                       | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| Inanimates                                            | -15.0          | -72.0          | -111.0         |
| Process improvement                                   | -58.2          | -59.1          | -63.1          |
| Operational capability and outsourcing/joint ventures | -64.7          | -58.7          | -95.8          |
| Other                                                 | 0.0            | 0.0            | 0.0            |
| <b>Total efficiencies</b>                             | <b>-137.9</b>  | <b>-189.8</b>  | <b>-269.9</b>  |

### New initiatives and service improvements

- 4.12 MOPAC is planning £4.6 million of new initiatives in 2013-14.

| <b>New Initiatives</b>       | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> |
|------------------------------|----------------|----------------|----------------|
|                              | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| Inanimates                   | 1.2            | 1.2            | 1.2            |
| Process improvement          | 0.7            | 1.2            | 2.4            |
| Outsourcing/joint venture    | 0.0            | 0.0            | 0.0            |
| Operational capability       | 3.8            | 3.8            | 4.0            |
| Other                        | 0.0            | 0.0            | 0.0            |
| <b>Total new initiatives</b> | <b>5.7</b>     | <b>6.2</b>     | <b>7.6</b>     |

### Changes in Government grants

- 4.13 Based on the figures presented in the final police grant settlement approved by the House of Commons on 13 February MOPAC will see a net reduction in Government grants of £148.4 million in 2013-14 compared to the revised 2012-13 budget and £126.7 million compared to the original budget (reflecting changes in specific grants payable in year) – albeit that this partly reflects the ending of the additional resources provided to support policing security for the Olympics.
- 4.14 These figures are net of £119.3 million of funding via the new Council Tax Support grant arising from the localisation of council tax support in 2013-14 (which is offset by a reduction in MOPAC’s council tax requirement on a like for like basis). Excluding council tax support the overall reduction in general and specific Government grants is £267.7 million in 2013-14 compared to 2012-13

## Section 4 – Mayor’s Office for Policing and Crime (MOPAC)

### Reserves

- 4.15 At 31 March 2013 MOPAC’s general reserves balance is expected to total £23.5 million. This balance is forecast to reduce to £19.5 million by 31 March 2014 and be maintained at this level until 31 March 2016.
- 4.16 In addition MOPAC is forecast to hold £196.3 million of earmarked reserves at 31 March 2013 which are forecast to fall to £176.3 million at 31 March 2016. MOPAC anticipate that there will be a significant drawdown in 2013-14 from the Budget Pressures reserve to fund voluntary exits and the ongoing major change programme which is not shown in these figures. The expected movements in reserves over the planning period are set out in the table below.

| <b>Movement in reserves during financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|---------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| <b>Opening balances</b>                           | <b>274.1</b>                      | <b>252.6</b>                       | <b>219.8</b>                     | <b>247.1</b>                   | <b>214.7</b>                   |
| Transfers to/from:                                |                                   |                                    |                                  |                                |                                |
| Earmarked reserves                                | -8.5                              | -21.8                              | 31.3                             | -32.4                          | -18.9                          |
| General reserves                                  | -13.0                             | -11.0                              | -4.0                             | 0.0                            | 0.0                            |
| <b>Closing balances</b>                           | <b>252.6</b>                      | <b>219.8</b>                       | <b>247.1</b>                     | <b>214.7</b>                   | <b>195.8</b>                   |

- 4.17 The expected total reserves at the end of each financial year are summarised below:

| <b>Total MOPAC reserves at end of financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|------------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Earmarked reserves                                   | 218.1                             | 196.3                              | 227.6                            | 195.2                          | 176.3                          |
| General reserves                                     | 34.5                              | 23.5                               | 19.5                             | 19.5                           | 19.5                           |
| <b>Total</b>                                         | <b>252.6</b>                      | <b>219.8</b>                       | <b>247.1</b>                     | <b>214.7</b>                   | <b>195.8</b>                   |

- 4.18 MOPAC is forecasting a net change in use of reserves in 2013-14 compared to the 2012-13 budget of £50.3 million. The £27.3 million now planned to be transferred into reserves in 2013-14 – reflecting the additional grant received compared to the planning forecast – will be set aside for application in future years as grant levels are expected to reduce further.

### Other adjustments

- 4.19 The main item in Other Adjustments of £14.7 million is the planned use of contingencies, capital financing changes and other adjustments

## **Section 4 – Mayor’s Office for Policing and Crime (MOPAC)**

---

### **Equalities**

- 4.20 Throughout the planning process Business Groups have been encouraged to consider the impact they have on internal and external communities and therefore develop activities that reflect the Service’s commitment to equality and diversity issues. An Equality Impact Assessment on the final Police and Crime Plan 2013-17, based on an assessment against MOPAC’s corporate objectives and key equalities and diversity issues, will be available before the publication of the Police and Crime Plan in March 2013.

### **Environmental impact**

- 4.21 The planning framework will help to ensure that environmental sustainability issues are properly reflected in future plans and budgets.

### **Consultation process on improving public access**

- 4.22 The Metropolitan Police Service (MPS) is developing a strategy to improve public access to the police in London including a review of its large property estate. The review is top-to-bottom, and will consider every operational building, not just those with front counters. The aim will be to create a more efficient estate with a much smaller headquarters and less costly buildings. Formal proposals will be put before MOPAC for a final decision to be taken by the Deputy Mayor for Policing and Crime (DMPC). In order to inform MOPAC’s final decisions, local police leaders have been engaging with the public and its partners to set out the local picture and listen to community reactions, as well as explain some of the changes they are exploring.
- 4.23 Based on these 32 local conversations, the MPS will submit its revised estates strategy to MOPAC for approval. Only after that will a final decision be taken by the DMPC on the proposed changes. The new estates strategy for the MPS approved by MOPAC will form part of the wider Police & Crime Plan. A draft of this plan has been formally consulted on during January and February 2013 with the final version expected to be published in Spring 2013.

## **Section 5 – London Fire and Emergency Planning Authority (LFEPA)**

---

### **Introduction**

- 5.1 The London Fire and Emergency Planning Authority (LFEPA) is responsible for fire and rescue services in London and it supports the London boroughs in their emergency planning role.
- 5.2 The Mayor is not anticipating that LFEPA's Fifth London Safety Plan 2013-2016 (LSP5) will be adopted until summer 2013. Therefore, LFEPA's main commitments set out below are still subject to consultation and change. Subject to the above, LFEPA's key priorities are to:
- promote community safety and fire prevention activity to mitigate the risk on communities in London;
  - make sure that buildings in London conform to the appropriate fire safety standards in order to protect Londoners and visitors to London;
  - get resources to emergency incidents as quickly as possible, maintaining and improving where possible, their performance against their standards of attendance for first and second appliances; and
  - deliver services in a cost effective way.

### **Key deliverables**

- 5.3 LFEPA's headline targets in the draft LSP5 are by March 2016 to:
- reduce fires in the home by 2 per cent (without stretch) and 8 per cent (with stretch);
  - carry out a further 219,000 home fire safety visits;
  - reduce fires in care homes and sheltered housing by 3 per cent (without stretch) and 9 per cent (with stretch);
  - reduce fires in non-domestic buildings by 4 per cent (without stretch) and 16 per cent (with stretch);
  - reduce fire related fire deaths by 4 per cent;
  - reduce all outdoor rubbish fires by 14 per cent (without stretch) and 28 per cent (with stretch);
  - reduce false alarms from automated systems in non-domestic buildings by 9 per cent (without stretch) and 25 per cent (with stretch); and

## Section 5 – London Fire and Emergency Planning Authority (LFEPA)

- reduce the shut-in-lift incidents attended by 8 per cent (without stretch) and 19 per cent (with stretch).

### Gross revenue expenditure

- 5.4 LFEPA has seen a significant reduction in its overall budget for 2013-14. Gross revenue expenditure has reduced by some £15 million from 2012-13 from £460 million to £445 million.

### Net revenue budget and council tax requirement

- 5.5 LFEPA's forecast of gross revenue expenditure for 2013-14 is £445.1 million. After deducting fees, charges, and other income and use of reserves, net expenditure for 2013-14 is £411.7 million. The council tax requirement for LFEPA is £128.4 million. LFEPA's revenue budget is set out below on an objective and subjective basis.

| Objective analysis             | Revised<br>Budget<br>2012-13<br>£m | Forecast<br>Outturn<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|--------------------------------|------------------------------------|--------------------------------------|-------------------------|-----------------------|-----------------------|
| Community safety               | 36.9                               | 36.4                                 | 35.5                    | 36.0                  | 36.7                  |
| Fire fighting and rescue       | 363.3                              | 360.4                                | 352.7                   | 355.8                 | 362.4                 |
| Fire-fighter pensions          | 19.3                               | 19.9                                 | 21.1                    | 22.2                  | 24.4                  |
| Emergency planning             | 0.9                                | 0.9                                  | 0.8                     | 0.8                   | 0.8                   |
| Central services               | 0.4                                | 0.4                                  | 0.5                     | 0.5                   | 0.5                   |
| Savings to be agreed           | -0.2                               | 0.0                                  | -5.7                    | -34.4                 | -43.9                 |
| <b>Net service expenditure</b> | <b>420.6</b>                       | <b>418.0</b>                         | <b>404.8</b>            | <b>380.9</b>          | <b>381.0</b>          |
| Capital financing costs        | 11.0                               | 11.0                                 | 10.9                    | 11.2                  | 11.5                  |
| External interest receipts     | -1.4                               | -1.4                                 | -0.7                    | -1.1                  | -1.6                  |
| <b>Net revenue expenditure</b> | <b>430.2</b>                       | <b>427.6</b>                         | <b>415.0</b>            | <b>390.9</b>          | <b>390.9</b>          |
| Transfer to/(from) reserves    | -36.2                              | -33.6                                | -3.3                    | -1.0                  | -1.0                  |
| <b>Financing requirement</b>   | <b>394.0</b>                       | <b>394.0</b>                         | <b>411.7</b>            | <b>389.9</b>          | <b>389.9</b>          |
| Financed by:                   |                                    |                                      |                         |                       |                       |
| Formula grant                  | -259.1                             | -259.1                               | 0.0                     | 0.0                   | 0.0                   |
| Specific grants                | -14.2                              | -14.2                                | -10.9                   | -10.9                 | -10.9                 |
| Revenue support grant          | 0.0                                | 0.0                                  | -163.5                  | -142.2                | -142.2                |
| Retained Business Rates        | 0.0                                | 0.0                                  | -108.9                  | -108.7                | -108.7                |
| <b>Council tax requirement</b> | <b>120.7</b>                       | <b>120.7</b>                         | <b>128.4</b>            | <b>128.1</b>          | <b>128.1</b>          |

## Section 5 – London Fire and Emergency Planning Authority (LFEPA)

| Subjective analysis                      | Revised<br>2012-13<br>£m | Forecast<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|------------------------------------------|--------------------------|---------------------------|-------------------------|-----------------------|-----------------------|
| Operational staff                        | 268.8                    | 268.4                     | 264.6                   | 268.5                 | 269.0                 |
| Other staff                              | 53.5                     | 54.6                      | 46.2                    | 46.3                  | 46.3                  |
| Employee related                         | 3.8                      | 4.0                       | 5.5                     | 2.8                   | 2.8                   |
| Pensions                                 | 19.0                     | 19.9                      | 21.1                    | 22.2                  | 24.4                  |
| Premises                                 | 31.0                     | 30.8                      | 30.9                    | 30.3                  | 32.5                  |
| Transport                                | 24.7                     | 24.0                      | 25.3                    | 25.3                  | 25.3                  |
| Supplies and services                    | 40.7                     | 40.9                      | 40.1                    | 39.9                  | 39.9                  |
| Third party payments                     | 1.3                      | 1.3                       | 1.2                     | 1.2                   | 1.2                   |
| New initiatives                          | 0.0                      | 0.0                       | 0.0                     | 0.0                   | 0.0                   |
| Savings to be allocated                  | 0.0                      | 0.0                       | -5.7                    | -34.4                 | -43.9                 |
| Capital financing costs                  | 11.0                     | 11.0                      | 10.9                    | 11.2                  | 11.5                  |
| Central contingency against inflation    | 6.1                      | 2.8                       | 5.0                     | 10.5                  | 16.0                  |
| <b>Total revenue expenditure</b>         | <b>459.7</b>             | <b>457.8</b>              | <b>445.1</b>            | <b>423.8</b>          | <b>425.0</b>          |
| <b>Total income</b>                      | <b>-29.4</b>             | <b>-30.1</b>              | <b>-30.1</b>            | <b>-32.9</b>          | <b>-34.1</b>          |
| <b>Net revenue expenditure</b>           | <b>430.2</b>             | <b>427.7</b>              | <b>415.0</b>            | <b>390.9</b>          | <b>390.9</b>          |
| Use of reserves                          | -36.2                    | -33.6                     | -3.3                    | -1.0                  | -1.0                  |
| <b>Financing Requirement</b>             | <b>394.0</b>             | <b>394.1</b>              | <b>411.7</b>            | <b>389.9</b>          | <b>389.9</b>          |
| Financed by:                             |                          |                           |                         |                       |                       |
| Formula grant                            | -259.1                   | -259.1                    | 0.0                     | 0.0                   | 0.0                   |
| Specific grants (inc fire revenue grant) | -14.2                    | -14.3                     | -10.9                   | -10.9                 | -10.9                 |
| Revenue support grant                    | 0.0                      | 0.0                       | -163.5                  | -142.2                | -142.2                |
| Retained Business Rates                  | 0.0                      | 0.0                       | -108.9                  | -108.7                | -108.7                |
| <b>Council tax requirement</b>           | <b>120.7</b>             | <b>120.7</b>              | <b>128.4</b>            | <b>128.1</b>          | <b>128.1</b>          |

### Explanation of budget changes

- 5.6 An analysis of the year on year movement in the council tax requirement is set out below.

| Changes in the LFEPA's council tax requirement | £m           |
|------------------------------------------------|--------------|
| <b>2012-13 council tax requirement</b>         | <b>120.7</b> |
| <i>Changes due to:</i>                         |              |
| Inflation                                      | 7.2          |
| Savings                                        | -5.9         |
| Efficiencies                                   | -8.0         |
| New initiatives and service improvements       | 0.0          |
| Change in use of reserves                      | 30.0         |
| Net Change in Government grants                | -13.0        |
| Other adjustments                              | 3.1          |
| Savings to be identified                       | -5.7         |
| <b>2013-14 council tax requirement</b>         | <b>128.4</b> |

## Section 5 – London Fire and Emergency Planning Authority (LFEPA)

### Inflation

- 5.7 LFEPA are budgeting for inflation of £7.2 million in 2013-14.

### Savings and Efficiencies

- 5.8 The bulk of LFEPA's savings of £5.9 million for 2013-14 relate to reductions in the establishment. LFEPA's efficiencies of £8 million in 2013-14 arise from cost avoidance, reductions in the establishment and procurement activity.

| Savings               | 2013-14<br>£m | 2014-15<br>£m | 2015-16<br>£m |
|-----------------------|---------------|---------------|---------------|
| Procurement savings   | 0.5           | 0.5           | 0.5           |
| Cost avoidance        | 1.1           | 0.7           | 0.7           |
| Establishment savings | 4.3           | 1.9           | 1.9           |
| Income                | 0.0           | 0.0           | 0.0           |
| Other                 | 0.0           | 0.0           | 0.0           |
| <b>Total savings</b>  | <b>5.9</b>    | <b>3.1</b>    | <b>3.1</b>    |

- 5.9 LFEPA have indicated that whilst there is now further work to be done to identify proposals that will meet the savings gap for 2013-14 of £5.7 million this does not imply that LFEPA will be unable to set a balanced budget for that year. A final draft budget for LFEPA in accordance with the final budget set by the Mayor will be presented for decision at LFEPA's meeting on 28 March 2013.

| Efficiencies               | 2013-14<br>£m | 2014-15<br>£m | 2015-16<br>£m |
|----------------------------|---------------|---------------|---------------|
| Procurement efficiencies   | 1.0           | 0.6           | 0.6           |
| Cost avoidance             | 3.7           | 3.7           | 3.7           |
| Establishment efficiencies | 2.7           | 2.7           | 2.7           |
| Income                     | 0.5           | 0.9           | 0.9           |
| Other                      | 0.1           | 0.1           | 0.1           |
| <b>Total efficiencies</b>  | <b>8.0</b>    | <b>7.9</b>    | <b>7.9</b>    |

### New initiatives and service improvements

- 5.10 LFEPA is not planning any material growth items for 2013-14.

### Change in Government grants

- 5.11 The Mayor has allocated LFEPA £23.3 million of Council Tax Support grant as part of the new financial regime in 2013-14. This represents its pro rata share of the council tax support grant payable to the Mayor in respect of non police services. LFEPA has reductions in general and specific Government grants (excluding Council Tax Support grant) of around £10 million in 2013-14 compared to 2012-13. The net change is therefore an increase in government grants of £13 million – due to the impact of the council tax support changes.

## Section 5 – London Fire and Emergency Planning Authority (LFEPA)

- 5.12 Further details on LFEPA's general grant allocation confirmed in the final local government finance settlement which was approved by the House of Commons on 13 February are set out in section 8.

### Other adjustments

- 5.13 There are £3.1 million of other adjustments included in the LFEPA budget for 2013-14.

### Equalities

- 5.14 An equality impact analysis has been prepared and made available to relevant parties that highlights the effect the savings will have on the workforce profile and LFEPA's ability to deliver services to diverse communities. The equalities implications of identifying the £5.7 million of additional savings and efficiencies required for 2013-14 will be considered.

### Environmental impact

- 5.15 LFEPA has reviewed the savings for sustainability and environmental implications with consideration of the Mayor's strategies to promote improvement of the environment.

### Reserves

- 5.16 At 31 March 2013 LFEPA's general reserves balance are expected to total £15.3 million. This balance is forecast to fall to £14.4 million by 31 March 2014. In addition LFEPA is forecast to hold £12.0 million of earmarked reserves at 31 March 2013 which are forecast to fall to £7.6m at 31 March 2016. The expected movements in reserves over the planning period are set out in the table below.

| <b>Movement in reserves during financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|---------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| <b>Opening balances</b>                           | <b>65.5</b>                       | <b>60.9</b>                        | <b>27.3</b>                      | <b>24.0</b>                    | <b>23.0</b>                    |
| Transfers to/from:                                |                                   |                                    |                                  |                                |                                |
| Earmarked reserves                                | 10.4                              | -7.8                               | -2.3                             | -1.0                           | -1.0                           |
| General reserves                                  | -15.0                             | -25.8                              | -1.0                             | 0.0                            | 0.0                            |
| <b>Closing balances</b>                           | <b>60.9</b>                       | <b>27.3</b>                        | <b>24.0</b>                      | <b>23.0</b>                    | <b>22.0</b>                    |

- 5.17 The expected total reserves at the end of each financial year are summarised below:

| <b>Total LFEPA reserves at end of financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|------------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Earmarked reserves                                   | 19.7                              | 12.0                               | 9.7                              | 8.6                            | 7.6                            |
| General reserves                                     | 41.2                              | 15.3                               | 14.4                             | 14.4                           | 14.4                           |
| <b>Total</b>                                         | <b>60.9</b>                       | <b>27.3</b>                        | <b>24.0</b>                      | <b>23.0</b>                    | <b>22.0</b>                    |

## **Section 5 – London Fire and Emergency Planning Authority (LFEPA)**

---

- 5.18 The tables reflect the use in 2012-13 of £30 million of LFEPA's reserves to reduce their share of the precept in that year. The council tax requirement increases in 2013-14 because no comparable use of reserves is being applied to reduce LFEPA's net expenditure.

### **Consultation process on further savings and draft Fifth London Safety Plan**

- 5.19 The LFEPA Full Authority met on 21 January 2013 to consider the draft LSP5 and their budget. The Authority did not agree at that time to consult upon the closure of fires stations, or loss of appliances or operational staff.
- 5.20 The Mayor issued a Direction to LFEPA to commence public consultation on the version of the draft Fifth London Safety Plan 2013-16 which was submitted to the meeting of the Authority on 21 January 2013 by the Fire Commissioner. This budget is consistent with this draft plan. The Direction was issued to enable professional advice on operational efficiency and effectiveness to be considered without delay in a public consultation, and to allow other proposals to be submitted.
- 5.21 Following the decision made by LFEPA not to formally challenge this direction the consultation on the draft safety plan was launched on 4 March and is scheduled to run until 28 May 2013.

## Section 6 – Transport for London

---

### Introduction

- 6.1 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.

### Key deliverables

- 6.2 Full details of TfL's priorities are set out in its business plan which was published in December 2012. TfL's key revenue and capital deliverables over the next decade, include:
- a 30 per cent improvement to Tube reliability between 2011 and 2015;
  - upgrading the Northern and Sub-Surface Tube lines;
  - adding an additional carriage to all London Overground trains;
  - removing pinch-points on the DLR and Tramlink networks;
  - upgrading the stations at Tottenham Court Road, Bank, Victoria, Paddington and Bond Street;
  - continuing to deliver Crossrail, which will transform rail capacity and journey times;
  - improving the experience for customers through contactless-bank-card payments across all TfL services;
  - delivering 600 New Bus for London vehicles as part of a programme to introduce 1,600 hybrid buses by 2016;
  - improving access for all in London by making 95 per cent of bus stops accessible; and
  - making cycling safer and more attractive by improving the safety of London's roads for all users.

### Gross revenue expenditure

- 6.3 TfL's total gross revenue budget for 2013-14 has increased by around £236 million. TfL's budget is summarised on an objective and subjective basis below for 2012-13 to 2014-15. No budget information has been presented for 2015-16 at this stage in line with the approach used in the TfL business plan.

## Section 6 – Transport for London

### Net revenue budget and council tax requirement

- 6.4 TfL's forecast of gross revenue expenditure for 2013-14 is £6,731.8 million comprising £5,984 million of operating costs and £747.8 million of other items (including £348.1 million of revenue contributions to capital). After deducting fare income, fees, charges, and other income and use of reserves, net revenue expenditure for 2013-14 is £1,958.8 million. This is summarised on an objective and subjective basis in the tables below.

| Objective analysis                                   | Budget<br>2012-13<br>£m | Forecast<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m |
|------------------------------------------------------|-------------------------|---------------------------|-------------------------|-----------------------|
| <b>Income</b>                                        |                         |                           |                         |                       |
| Traffic Income                                       | -3,794.4                | -3,835.1                  | -4,088.5                | -4,328.5              |
| Congestion Charge, LEZ, Enforcement Income           | -146.3                  | -146.7                    | -147.7                  | -144.1                |
| Other Income                                         | -466.1                  | -466.5                    | -528.5                  | -581.2                |
| Interest Income                                      | -5.9                    | -9.9                      | -8.4                    | -8.9                  |
| Sub total income                                     | <b>-4,412.7</b>         | <b>-4,458.2</b>           | <b>-4,773.1</b>         | <b>-5,062.7</b>       |
| <b>Operating costs</b>                               |                         |                           |                         |                       |
| London Underground and Tube Lines                    | 2,194.9                 | 2,286.4                   | 2,323.0                 | 2,391.2               |
| Surface Transport                                    | 2,728.0                 | 2,727.4                   | 2,779.8                 | 2,883.5               |
| London Rail                                          | 342.6                   | 345.6                     | 358.5                   | 357.5                 |
| Corporate Directorates                               | 534.6                   | 491.9                     | 523.0                   | 570.4                 |
| Sub total operating costs                            | <b>5,800.1</b>          | <b>5,851.3</b>            | <b>5,984.3</b>          | <b>6,202.6</b>        |
| <b>Other</b>                                         |                         |                           |                         |                       |
| Third-party contributions                            | -24.8                   | -26.3                     | -24.3                   | -19.2                 |
| Debt servicing                                       | 326.4                   | 293.4                     | 344.3                   | 382.0                 |
| Group items                                          | 167.0                   | -11.2                     | 79.5                    | -6.4                  |
| <b>Net services expenditure</b>                      | <b>1,856.0</b>          | <b>1,649.0</b>            | <b>1,610.7</b>          | <b>1,496.3</b>        |
| Revenue resources used to support capital investment | 227.0                   | 478.0                     | 348.1                   | 175.8                 |
| Net borrowing other financing and general reserves   | 0.0                     | 0.0                       | 0.0                     | 0.0                   |
| <b>Financing requirement</b>                         | <b>2,083.0</b>          | <b>2,127.0</b>            | <b>1,958.8</b>          | <b>1,672.1</b>        |
| Financed by:                                         |                         |                           |                         |                       |
| GLA Transport grant (including general element)      | -1,948.0                | -1,954.0                  | -1,102.0                | -827.0                |
| Other Specific grants                                | -129.0                  | -167.0                    | -48.0                   | -36.3                 |
| Retained business rates                              | 0.0                     | 0.0                       | -802.8                  | -802.8                |
| <b>Council tax requirement</b>                       | <b>6.0</b>              | <b>6.0</b>                | <b>6.0</b>              | <b>6.0</b>            |

LEZ is the Low Emission Zone.

## Section 6 – Transport for London

| Subjective analysis                          | Budget<br>2012-13<br>£m | Forecast<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Budget<br>2014-15<br>£m |
|----------------------------------------------|-------------------------|---------------------------|-------------------------|-------------------------|
| <b>Income</b>                                |                         |                           |                         |                         |
| Fares Revenue                                | -3,794.0                | -3,835.0                  | -4,089.0                | -4,329.0                |
| Congestion Charging                          | -146.0                  | -147.0                    | -148.0                  | -144.0                  |
| Enforcement Income                           | -122.0                  | -117.0                    | -129.0                  | -126.0                  |
| Taxi & Private Hire and VCS fees             | -35.0                   | -33.0                     | -32.0                   | -34.0                   |
| Advertising Income                           | -130.0                  | -133.0                    | -147.0                  | -161.0                  |
| Rental Income                                | -57.0                   | -48.0                     | -54.0                   | -55.0                   |
| Other Income                                 | -129.0                  | -145.0                    | -174.0                  | -214.0                  |
| <b>Sub total income</b>                      | <b>-4,413.0</b>         | <b>-4,458.0</b>           | <b>-4,773.0</b>         | <b>-5,063.0</b>         |
| <b>Operating Expenditure</b>                 |                         |                           |                         |                         |
| Employee Expenses                            | 1,792.0                 | 1,769.0                   | 1,810.0                 | 1,859.0                 |
| Premises                                     | 300.0                   | 283.0                     | 301.0                   | 301.0                   |
| PFI Payments                                 | 273.0                   | 382.0                     | 257.0                   | 255.0                   |
| Bus Contract Payments (incl BSOG)            | 1,753.0                 | 1,763.0                   | 1,817.0                 | 1,895.0                 |
| CCS & Other Road Contracted Services         | 316.0                   | 340.0                     | 305.0                   | 323.0                   |
| Asset Maintenance & Local Authority Payments | 458.0                   | 495.0                     | 598.0                   | 600.0                   |
| Professional and Consultancy fees            | 89.0                    | 98.0                      | 83.0                    | 99.0                    |
| Management Consultancy & Development fees    | 104.0                   | 111.0                     | 97.0                    | 78.0                    |
| Ticket Commissions                           | 51.0                    | 48.0                      | 55.0                    | 58.0                    |
| Customer Information                         | 53.0                    | 55.0                      | 40.0                    | 41.0                    |
| National Rail Payments                       | 15.0                    | 6.0                       | 8.0                     | 8.0                     |
| Franchise Payments                           | 220.0                   | 213.0                     | 227.0                   | 234.0                   |
| Information and Communication Technology     | 234.0                   | 229.0                     | 220.0                   | 268.0                   |
| Insurance                                    | 44.0                    | 40.0                      | 38.0                    | 40.0                    |
| Traction Current                             | 98.0                    | 88.0                      | 103.0                   | 109.0                   |
| Other Expenses                               | -57.0                   | -116.0                    | -31.0                   | -20.0                   |
| Bad debt provision                           | 57.0                    | 47.0                      | 56.0                    | 55.0                    |
| <b>Total operating expenditure</b>           | <b>5,800.0</b>          | <b>5,851.0</b>            | <b>5,984.0</b>          | <b>6,203.0</b>          |
| <b>Net operating expenditure</b>             | <b>1,387.0</b>          | <b>1,393.0</b>            | <b>1,211.0</b>          | <b>1,140.0</b>          |
| Group Items and third parties                | 469.0                   | 256.0                     | 399.7                   | 356.3                   |
| Revenue Surplus for capital use              | 227.0                   | 478.0                     | 348.1                   | 175.8                   |
| <b>Total financing requirement</b>           | <b>2,083.0</b>          | <b>2,127.0</b>            | <b>1,958.8</b>          | <b>1,672.1</b>          |
| Financed by                                  |                         |                           |                         |                         |
| GLA Transport grant (general grant)          | -1,948.0                | -1,954.0                  | -1,102.0                | -827.0                  |
| Other Specific grants                        | -129.0                  | -167.0                    | -48.0                   | -36.3                   |
| Retained business rates                      | 0.0                     | 0.0                       | -802.8                  | -802.8                  |
| <b>Council tax requirement</b>               | <b>6.0</b>              | <b>6.0</b>                | <b>6.0</b>              | <b>6.0</b>              |

Note: VCS is Victoria Coach station, BSOG is bus operators support grant and CCS is congestion charging scheme.

## Section 6 – Transport for London

- 6.5 TfL's council tax requirement for 2013-14 is £6 million. The balance of its net revenue expenditure is financed by £802.8 million of resources allocated to it by the Mayor through business rates retention, £1,102 million via the general element of the GLA transport grant and £48 million through other specific revenue grants from the Department for Transport (DfT).
- 6.6 These figures are made on the basis that the baseline funding allocations for the rates retention component will not be revised to reflect the impact of the business rates forecasts submitted by the 33 London billing authorities. Nor have the plans been amended to reflect the revisions to the 2013-14 and 2014-15 GLA Transport allocation which the Secretary of State for Transport is minded, subject to consultation, to make as set out in his letter to the Mayor dated 8 February. The consequential impact of any change to the GLA Transport Grant determinations will need to be absorbed by TfL its final approved budget for 2013-14.

### Explanation of budget changes

- 6.7 An analysis of the year on year movements in council tax requirement is set out below. An explanation of each change is detailed in the paragraphs below.

| Changes in the TfL's council tax requirement                                                          | £m       |
|-------------------------------------------------------------------------------------------------------|----------|
| <b>2012-13 council tax requirement</b>                                                                | <b>6</b> |
| <i>Changes due to:</i>                                                                                |          |
| Inflation                                                                                             | 59       |
| Savings and Efficiencies                                                                              | -134     |
| Fares, charges and other income changes                                                               | -174     |
| New initiatives and service improvements (capital investment and net operational increases/decreases) | 350      |
| Change in use of general reserves                                                                     | 0        |
| Changes in Government revenue grants                                                                  | 124      |
| Other adjustments                                                                                     | -225     |
| <b>2013-14 council tax requirement</b>                                                                | <b>6</b> |

### Inflation

- 6.7 TfL is forecasting inflation will increase net costs by £59 million in 2013-14.

### Fares charges and other income

- 6.8 TfL is forecasting an increase in fares, charges and other income in 2013-14 of £174 million. Each 1 per cent increase in fares generates approximately £34 million in additional fares revenue each year. In broad terms, this means that if TfL raises fares by 1 per cent less than planned in one year that reduces TfL's revenue by around £340 million over the course of its 10 year Business Plan.

## Section 6 – Transport for London

- 6.9 TfL needs a continuous and steady stream of funding to ensure the upgrade of London's transport network can continue to drive both London and the UK's economic growth. Inflation-only increases to fares in 2014 and 2015 would have a significant impact on TfL's Business Plan. Examples of the impact this could have on services and passengers are, as follows:
- replacement and maintenance of trains, buses, roads, bridges, signalling and other equipment could be reduced; and
  - the Tube upgrade. Crossrail, road schemes and better facilities for cyclists could also be adversely affected.
- 6.10 The TfL fares decision has been made in an open and transparent manner. Non confidential facts and advice to the Mayor on his annual fares decision are already published on the GLA website in the Mayoral decision form approval. In addition, TfL's planning assumption on fares and the supporting rationale is published in TfL's Business Plan.

### Savings and efficiencies

- 6.11 TfL has budgeted to make additional savings of £134 million in 2013-14 in addition to the significant efficiencies achieved since 2009-10 which are already reflected in its base budget.

| Savings and efficiencies                    | 2013-14<br>Budget<br>£m | 2014-15<br>Plan<br>£m |
|---------------------------------------------|-------------------------|-----------------------|
| Rail and Underground                        | 105.0                   | 173.0                 |
| Surface Transport                           | 29.0                    | 28.0                  |
| Corporate and Group Wide                    | 0.0                     | 93.0                  |
| <b>Total gross savings and efficiencies</b> | <b>134.0</b>            | <b>294.0</b>          |

Note: The previous TfL business plan committed TfL to a £7.6 billion savings programme (2009-10 to 2017-18). Further identification of savings means that £9.8 billion has already been secured.

### New initiatives and service improvements

- 6.12 TfL are planning significant investment in 2013-14 in new initiatives and service improvements of around £350 million including the use of revenue resources to support capital investment

### Changes in Government grants

- 6.13 Based on the assumptions set out in this budget which reflect the current GLA Transport Grant allocations TfL is forecast to see a net reduction in government grants for revenue activities of around £124 million in 2013-14.

## Section 6 – Transport for London

---

- 6.14 As part of the local government finance reforms £802.8 million of TfL funding has been allocated to the rates retention funding baseline for the GLA group. On the basis of the current approved allocations the remaining general element of TfL's transport grant paid by DfT will be reduced from £1,954 million in 2012-13 to £1,102 million in 2013-14 – partly offset by the £758.5 million of former GLA transport grant transferred into the rates retention system. As indicated above the Secretary of State for Transport is minded to reduce the GLA Transport grant further in 2013-14 and 2014-15 and these changes will need to be managed within its current planning envelope. In addition TfL is expecting to receive a further £48 million in revenue specific grants in 2014-15 which includes £28 million to support the London Overground and £13 million for bus retrofitting and cycling safety.

### **Other adjustments**

- 6.15 Other adjustments total £225 million and include changes in working capital, debt servicing and revenue generation from disposals.

### **Equalities**

- 6.16 TfL will publish a full Equality Impact Assessment for the Business Plan. TfL will also publish its Single Equality Statement.

### **Environmental impact**

- 6.17 TfL has a commitment to both reducing its impact on the environment and working to provide opportunities for others to reduce their impact. TfL's plan includes funding to remove the more polluting buses and the purchase of up to 600 New Buses for London. Tube upgrades target increased energy efficiency and TfL works to provide increased opportunities for cycling and walking.
- 6.18 Most importantly, TfL's provision of a reliable, high capacity transport system provides many options for customers, including public transport and walking / cycling which are lower-carbon modes. These, combined with a commitment to reduce road congestion, will support the development of a more efficient economy in London.

### **Reserves**

- 6.19 At 31 March 2013 TfL's general reserves balances are expected to total £162 million. This balance is forecast to remain constant through to 31 March 2015. In addition, TfL is forecast to hold £1,622 million of earmarked reserves at 31 March 2013 which is estimated to reduce to £296 million at 31 March 2015. The expected movements in reserves over the planning period are set out in the table below.

## Section 6 – Transport for London

| <b>Movement in TfL's reserves during financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> |
|---------------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|
| <b>Opening balances</b>                                 | <b>673.0</b>                      | <b>1,017.0</b>                     | <b>1,784.0</b>                   | <b>1,300.0</b>                 |
| Transfers to/from:                                      |                                   |                                    |                                  |                                |
| Earmarked reserves                                      | 336.0                             | 767.0                              | -484.0                           | -842.0                         |
| General reserves                                        | 8.0                               | -                                  | -                                | -                              |
| <b>Closing balances</b>                                 | <b>1,017.0</b>                    | <b>1,784.0</b>                     | <b>1,300.0</b>                   | <b>458.0</b>                   |

6.20 The expected total reserves at the end of each financial year are summarised below:

| <b>Total TfL reserves at end of financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> |
|----------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|
| Earmarked reserves                                 | 855.0                             | 1,622.0                            | 1,138.0                          | 296.0                          |
| General reserves                                   | 162.0                             | 162.0                              | 162.0                            | 162.0                          |
| <b>Total</b>                                       | <b>1,017.0</b>                    | <b>1,784.0</b>                     | <b>1,300.0</b>                   | <b>458.0</b>                   |

6.21 TfL is not planning to apply any general reserves to support their expenditure in 2013-14 but will be applying £484 million of earmarked reserves.

## Section 7 – London Legacy Development Corporation

---

- 7.1 The London Legacy Development Corporation (“the Legacy Corporation” or “LLDC”) is responsible for promoting and delivering the physical, social, economic and environmental regeneration in the Olympic Park and surrounding area. In particular, by maximising the legacy of the Olympic and Paralympic Games, the LLDC aims to secure 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.
- 7.2 To achieve these objectives, the Legacy Corporation’s aims are to:
- operate a successful and accessible Park and world-class sporting venues, offering facilities for high-performance and community participation, enticing visitor attractions, and a busy programme of sporting, cultural and community events that will continue to draw crowds to Stratford;
  - create London’s most dynamic urban district, attracting investment from across London and beyond, becoming a location of choice for current residents and new arrivals, acting as a fulcrum for wealth creation and entrepreneurship, and linking the Olympic Park estate with surrounding neighbourhoods; and
  - create local opportunities and transformational change, support convergence across its functions, and ensure value for money for taxpayers.
- 7.3 The Legacy Corporation was established, according to the provisions of the Localism Act 2011, on 1 April 2012, taking on staff and assets from the Olympic Park Legacy Company and the London Thames Gateway Development Corporation (LTGDC). On 1 October 2012, it became the local planning authority for its area, and took on further staff and assets from LTGDC and the Olympic Delivery Authority (ODA). In October 2012, the Legacy Corporation began to take over the Olympic Park and venues in order to deliver its programme of transformational works to clear Games-time overlay from the Park, to connect the Park to the surrounding area with new roads and pathways, and to complete the Park’s venues and parkland to their legacy designs.

### Key deliverables

- 7.4 The Legacy Corporation’s remit and scope of operations is therefore changing significantly during the period covered by this budget submission. Its key deliverables over the next three years are:
- in 2013-14, the Legacy Corporation will continue to deliver transformation works, but also begin to market, re-open and operate the Queen Elizabeth Olympic Park and its venues, to mobilise its development and operation partners, and to develop its planning policy;
  - in 2014-15, the majority of the Park and venues will be re-opened, and the Park and venues will become operational, as the final elements of capital works are completed; and

## Section 7 – London Legacy Development Corporation

- in 2015-16, the Park and venues will have their first full year of operations, as the first homes in Chobham Manor are occupied.

### Gross revenue expenditure

- 7.5 The LLDC's forecast of gross revenue expenditure for 2013-14 is £44.2 million. This represents an increase of around £16 million compared to its revised budget for 2012-13 and is described directly below. This increase reflects the Mayor's commitment to securing the legacy from the outstandingly successful Olympic and Paralympic Games in summer 2012.

### Net revenue budget and council tax requirement

- 7.6 After deducting fees, charges, its allocated contribution from the GLA, other income and its planned use of reserves, the LLDC's net expenditure and council tax requirement for 2013-14 is NIL. Its revenue budget is summarised below on an objective and subjective basis.

| Objective analysis                    | Revised<br>Budget<br>2012-13<br>£m | Forecast<br>Outturn<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|---------------------------------------|------------------------------------|--------------------------------------|-------------------------|-----------------------|-----------------------|
| Park Opening and Operations           | 9.1                                | 7.7                                  | 19.2                    | 18.6                  | 16.7                  |
| Real Estate, Regeneration, and Design | 3.8                                | 3.4                                  | 6.5                     | 4.3                   | 4.0                   |
| Corporate and Finance                 | 12.4                               | 11.3                                 | 12.2                    | 11.9                  | 13.7                  |
| Planning Authority                    | 0.6                                | 0.3                                  | 0.9                     | 0.9                   | 0.7                   |
| Irrecoverable VAT and contingency     | 2.2                                | 1.2                                  | 5.4                     | 5.7                   | 4.6                   |
| New funding/savings to be identified  | 0.0                                | 0.0                                  | 0.0                     | 0.0                   | -15.4                 |
| <b>Total expenditure</b>              | <b>28.1</b>                        | <b>23.9</b>                          | <b>44.2</b>             | <b>41.5</b>           | <b>24.3</b>           |
| Real estate income                    | -0.2                               | -0.2                                 | -0.5                    | -1.2                  | -2.2                  |
| Park and venues income                | 0.0                                | -0.1                                 | -0.5                    | -6.3                  | -6.8                  |
| Planning authority income             | 0.0                                | 0.0                                  | -0.3                    | -0.3                  | -0.3                  |
| Other income                          | 0.0                                | 0.0                                  | 0.0                     | 0.0                   | 0.0                   |
| <b>Total income</b>                   | <b>-0.2</b>                        | <b>-0.3</b>                          | <b>-1.3</b>             | <b>-7.8</b>           | <b>-9.3</b>           |
| <b>Net expenditure</b>                | <b>27.9</b>                        | <b>23.6</b>                          | <b>42.9</b>             | <b>33.6</b>           | <b>15.0</b>           |
| Use of reserves                       | -5.3                               | -1.2                                 | -5.5                    | 4.5                   | -4.5                  |
| <b>Financing requirement</b>          | <b>22.6</b>                        | <b>22.4</b>                          | <b>37.4</b>             | <b>38.1</b>           | <b>10.5</b>           |
| GLA Funding                           | -22.6                              | -22.4                                | -37.4                   | -38.1                 | -10.5                 |
| <b>Council tax requirement</b>        | <b>0.0</b>                         | <b>0.0</b>                           | <b>0.0</b>              | <b>0.0</b>            | <b>0.0</b>            |

## Section 7 – London Legacy Development Corporation

| Subjective analysis                | Budget<br>2012-13<br>£m | Forecast<br>2012-13<br>£m | Budget<br>2013-14<br>£m | Plan<br>2014-15<br>£m | Plan<br>2015-16<br>£m |
|------------------------------------|-------------------------|---------------------------|-------------------------|-----------------------|-----------------------|
| Employee expenses                  | 8.2                     | 8.2                       | 8.3                     | 7.7                   | 7.4                   |
| Premises costs                     | 0.7                     | 0.7                       | 0.8                     | 0.8                   | 0.8                   |
| Supplies and services              | 19.2                    | 15.0                      | 35.1                    | 33.0                  | 31.5                  |
| <b>Total revenue expenditure</b>   | <b>28.1</b>             | <b>23.9</b>               | <b>44.2</b>             | <b>41.5</b>           | <b>39.7</b>           |
| Other income                       | -0.4                    | -0.3                      | -1.3                    | -7.8                  | -24.7                 |
| <b>Total income</b>                | <b>-0.4</b>             | <b>-0.3</b>               | <b>-1.3</b>             | <b>-7.8</b>           | <b>-24.7</b>          |
| <b>Net revenue expenditure</b>     | <b>27.7</b>             | <b>23.6</b>               | <b>42.9</b>             | <b>33.6</b>           | <b>15.0</b>           |
| Use of reserves                    | -5.3                    | -1.2                      | -5.5                    | 4.5                   | -4.5                  |
| <b>Total Financing requirement</b> | <b>22.4</b>             | <b>22.4</b>               | <b>37.4</b>             | <b>38.1</b>           | <b>10.5</b>           |
| GLA Funding                        | -22.4                   | -22.4                     | -37.4                   | -38.1                 | -10.5                 |
| <b>Council Tax Requirement</b>     | <b>0.0</b>              | <b>0.0</b>                | <b>0.0</b>              | <b>0.0</b>            | <b>0.0</b>            |

### Explanation of budget changes

- 7.7 An analysis of the year on year movements in council tax requirement is set out below. An explanation of each change is detailed in the paragraphs below.

| Changes in the LLDC's council tax requirement | £m         |
|-----------------------------------------------|------------|
| <b>2012-13 council tax requirement</b>        | <b>0.0</b> |
| <i>Changes due to:</i>                        |            |
| Inflation                                     | 0.1        |
| Savings                                       | -2.2       |
| Efficiencies                                  | -1.5       |
| New initiatives and service improvements      | 21.6       |
| Change in use of reserves                     | -4.3       |
| Increase in Government grants via GLA         | -15.0      |
| Other adjustments                             | 1.3        |
| <b>2013-14 net expenditure</b>                | <b>0.0</b> |

### Inflation

- 7.8 There is provision for inflation and pay awards in line with the public sector pay guideline and this increases the LLDC budget by £0.1million.

### Savings and efficiencies

- 7.9 The LLDC is planning £2.2 million of savings and £1.5 million of efficiencies to support its budget in 2013-14 as summarised below.

## Section 7 – London Legacy Development Corporation

| <b>LLDC Savings and efficiencies</b>  | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> |
|---------------------------------------|----------------|----------------|----------------|
| Park Opening and Operations           | 1.3            | 12.5           | 2.7            |
| Real Estate, Regeneration, and Design | 0.8            | 4.0            | 1.4            |
| Planning Authority                    | 0.3            | 0.1            | 0.2            |
| Corporate and Finance                 | 1.3            | 1.2            | 2.1            |
| <b>Total savings and efficiencies</b> | <b>3.7</b>     | <b>17.8</b>    | <b>6.4</b>     |

### New initiatives and service improvements

- 7.10 The LLDC is planning £21.6 million of new initiatives and service improvements in 2013-14 – reflecting the additional resources being invested to support the development of the Olympic legacy.

| <b>LLDC New Initiatives</b>           | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> |
|---------------------------------------|----------------|----------------|----------------|
| Park Opening and Operations           | 12.4           | 6.1            | 0.3            |
| Real Estate, Regeneration, and Design | 3.9            | 1.0            | 0.0            |
| Corporate and Finance                 | 1.1            | 0.6            | 2.2            |
| Planning Authority                    | 0.4            | 0.0            | 0.0            |
| Irrecoverable VAT and contingency     | 3.8            | 0.8            | 0.5            |
| Income changes                        | 0.0            | 0.1            | 0.1            |
| <b>Total new initiatives</b>          | <b>21.6</b>    | <b>8.6</b>     | <b>3.1</b>     |

### Changes in Government grants

- 7.11 The LLDC will receive its revenue grant funding via GLA – in line with the sums allocated by the Mayor. The Legacy Corporation's grant funding is all paid through the GLA, and incorporates grants made available to the GLA through the London Settlement. The total revenue grant available has increased by £15 million (from £22.4 million to £37.4 million), reflecting the growth in the scope of Legacy Corporation's programmes.

### Other adjustments

- 7.12 There are other minor adjustments to the budget relating to miscellaneous items totalling £1.3 million.

### Equalities

- 7.13 Equalities and inclusion initiatives planned by the LLDC in 2013-14 include:
- A built environment access panel to advise on design, planning and development issues; and
  - The first year of an annual Festival of Disability Sport;
  - The recruitment of Paralympic Legacy Ambassadors to promote disabled sports participation.

## Section 7 – London Legacy Development Corporation

### Environmental impact

- 7.14 The Legacy Corporation's policy is that the Park will use the best of the Games' infrastructure, innovation and inspiration, to provide a pioneering model of urban regeneration promoting sustainable lifestyles through sustainable infrastructure.

### Reserves

- 7.15 As at 31 March 2013 LLDC's general revenue reserves balance is expected to total £11 million. For 2012-13 the Legacy Corporation budgeted to draw down £5.3 million from reserves which had been set aside in the previous year to account for a known reduction in funding for 2012-13. Through managing spending and delays in-year, current projections indicate an actual draw down of up to £1.2 million.
- 7.16 The reserves balance is forecast to fall to £5.5 million by 31 March 2014 (to meet a funding shortfall, resulting from the costs of re-opening the Park, the minimal revenue streams available in this year, and carry forward of project scope from 2012-13) and to increase to £10 million by 31 March 2015. LLDC is not expecting to hold any earmarked revenue reserves. The expected movements in reserves over the planning period are set out in the table below.

| <b>Movement in reserves during financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|---------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| <b>Opening balances</b>                           | <b>8.1</b>                        | <b>12.2</b>                        | <b>11.0</b>                      | <b>5.5</b>                     | <b>10.0</b>                    |
| Transfers to/from:                                |                                   |                                    |                                  |                                |                                |
| Earmarked reserves                                | 0.0                               | 0.0                                | 0.0                              | 0.0                            | 0.0                            |
| General reserves                                  | 4.1                               | -1.2                               | -5.5                             | 4.5                            | -4.5                           |
| <b>Closing balances</b>                           | <b>12.2</b>                       | <b>11.0</b>                        | <b>5.5</b>                       | <b>10.0</b>                    | <b>5.5</b>                     |

- 7.17 The expected total reserves at the end of each financial year are summarised below:

| <b>Total LLDC reserves at end of financial year</b> | <b>Outturn<br/>2011-12<br/>£m</b> | <b>Forecast<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|-----------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Earmarked reserves                                  | 0.0                               | 0.0                                | 0.0                              | 0.0                            | 0.0                            |
| General reserves                                    | 12.2                              | 11.0                               | 5.5                              | 10.0                           | 5.5                            |
| <b>Closing balances</b>                             | <b>12.2</b>                       | <b>11.0</b>                        | <b>5.5</b>                       | <b>10.0</b>                    | <b>5.5</b>                     |

- 7.18 LLDC is planning to drawdown £5.5 million of its reserves in 2013-14 - £4.3million higher than the planned use of reserves in 2012-13.

## Section 8 – GLA Group – Future Years Funding

---

- 8.1 There are four principal sources of uncertainty regarding future years' funding and budgets for the GLA Group: the announcement of a full set of outcomes from the 2010 Spending Review for the period to 2014-15 – particularly for MOPAC and TfL – and for the next Spending Review period for 2015-16 onwards; the impact of business rates retention and the localisation of council tax support which increases the potential volatility in respect of £2.3 billion of the Group's existing funding; uncertainty in respect of the wider economic and financial climate both for London and the wider UK and the ongoing effect of the devolutionary changes introduced in the Localism Act 2011 and Local Government Finance Act 2012 on the Group's finances.
- 8.2 The GLA Group is also embarking on a range of new programmes and initiatives to support economic growth in London, in addition to the ongoing delivery of key infrastructure projects such as Crossrail and the tube upgrade. Examples of these continuing and new initiatives include:
- £300 million for new transport projects that unlock growth and job creation in key areas such as Elephant & Castle and Tottenham;
  - the creation of a new enterprise zone to support economic development and the ongoing regeneration of the Royal Docks;
  - £50 million of investment in Tech City which will assist in creating the largest civic space in Europe alongside a place for start-up companies and the local community to come together and become the next generation of entrepreneurs;
  - the extension of the Northern Line to Battersea and Nine Elms supported by a new enterprise zone for the area and a guarantee from the government for the loan of up to £1 billion which will be required to finance the project;
  - improving the reliability of the Tube by 30 per cent by 2015;
  - the London Legacy Development Corporation (LLDC) completing its transformation works and re-opening the Queen Elizabeth Olympic Park and venues; the creation of 200,000 jobs over the course of this Mayoralty; and
  - the delivery of 55,000 affordable homes.
- 8.3 In order to plan for the delivery of these and other programmes and to maintain existing investment in business as usual services such as policing, the day to day operation of the transport network and the fire service, it is important that there is a reasonable degree of certainty around the available level of resources. This section outlines the funding position for the GLA and its functional bodies over the next two years in respect of government grant and business rates and identifies those elements where there remains a significant degree of uncertainty. Other external income (e.g. relating to fares) is addressed in the relevant functional body section.

## **Section 8 – GLA Group – Future Years Funding**

---

### **Autumn Statement 2012 and additional reductions to Departmental Expenditure Limits for 2013-14 and 2014-15**

- 8.4 In the Autumn Statement on 5 December 2012 the Chancellor confirmed that departmental expenditure limits (DEL) for non protected services would be reduced by a further 1 per cent in 2013-14 and 2 per cent in 2014-15 compared to the previously announced control totals set out in the 2010 Spending Review. The local government, fire and police sectors (but not TfL as it is funded via Department for Transport DEL) would be protected from this reduction in 2013-14 due to the intended council tax freeze but grant allocations would be reduced in 2014-15 in line with the average 2 per cent reduction.
- 8.5 Details on the spending limits for 2015-16 and 2016-17 will be set out in the next Spending Review – details of which are expected to be published in 2013. These are expected to follow the trajectory for the current spending review period. The Institute for Fiscal Studies has, following the Autumn Statement, estimated that for non protected services the Government's current spending envelope implies a 3 per cent real terms reduction in 2015-16 compared to 2014-15 with a 16 per cent real terms reduction by 2017-18. In setting his 2013-14 budget therefore the Mayor has had regard not just to the in year funding position for 2013-14 but the expectation that grant income will continue to decline until potentially 2018.

### **Final Local Government Finance and Police Settlement for 2013-14**

- 8.6 The provisional local government finance settlement for 2013-14 was published for consultation by the Government on 19 December 2012. The Secretary of State for Communities and Local Government published the final local government and fire finance settlement on 4 February and on the same day the Home Secretary confirmed the police grant allocations. Both settlements were approved by the House of Commons on 13 February through the Local Government Finance and Police Grant reports.
- 8.7 The settlement also provided indicative allocations for 2014-15 in respect of the GLA and LFEPA's general funding and council tax support allocations as well as the funding baselines being included within the rates retention system for the GLA, LFEPA and Transport for London. It has also set out the Government's intentions as to how the additional reductions in funding for 2013-14 (for TfL only as local government was exempted) and 2014-15 (for all three bodies) would be applied in respect of the funding forming part of the settlement. However no indicative allocations were issued in respect of police grant for 2014-15.
- 8.8 The following sections set out the impact of the respective funding settlements on each GLA body. It also addresses TfL's funding settlement agreed with the Department for Transport.

## Section 8 – GLA Group – Future Years Funding

---

### **Mayor's Office for Policing and Crime**

- 8.9 The Home Office's settlement in the 2010 Spending Review envisaged that aggregate police funding would decline by around 20 per cent in real terms (12 per cent in cash terms) between 2010-11 and 2014-15. MOPAC's general grant funding via police formula grant and Home Office police grant was reduced by 5.1 per cent in 2012-13 and 6.7 per cent in 2013-14 – the same percentage reduction as was applied to all police forces/police authorities. Reductions were also made to specific grants and the Government indicated that the Neighbourhood policing fund (or PCSO) grant would be rolled into general funding from 2013-14.
- 8.10 The Home Office announced in the provisional police grant settlement on 19 December 2012 that general police funding would be reduced by 1.6 per cent in cash terms in 2013-14 – with the same percentage reduction again being applied to all forces. MOPAC was allocated £1,138.4 million in Home Office police grant and £821.4 million in police formula grant – resulting in a total general grant allocation for local policing (i.e. excluding resources provided through revenue support grant) of £1,959.8 million. This allocation was around £31million higher than MOPAC's planning assumptions for general grants – and this excess sum has been transferred into its earmarked reserves in the 2013-14 budget and is expected to be applied to manage future reductions in funding.
- 8.11 The Home Secretary also confirmed that she had protected the police from reductions announced by the Chancellor in November 2011 relating to public sector pay restraint. Without this protection on pay restraint, central Government funding for the police would have been £66 million lower nationally in 2013-14 (of which an estimated £17 million would have accrued to MOPAC).
- 8.12 In addition MOPAC has been awarded £119.3million in council tax support grant – reflecting the fact that local policing bodies receive separate allocations for this new funding stream. This grant will be paid in full to MOPAC – and is offset by a matching reduction in its council tax requirement. This reflects the fact that for setting the 2013-14 budget the core GLA will manage the risks and potential downsides of council tax benefit localisation centrally to ensure that there is no adverse impact on the policing and fire budget.
- 8.13 The budget allocates MOPAC £354.5 million in specific grant funding in 2013-14 and £9.4 million via the Mayor's revenue support grant in respect of the 2011-12 council tax freeze grant. The remaining element of this revenue stream paid via MOPAC formula grant in 2012-13 – which forms part of the rates retention baseline for the GLA Group has been applied to the core GLA budget with an offsetting uplift to the council tax requirement for police services. This delivers on the Government's intention that Police and Crime Commissioners (including MOPAC) will operate outside the new business rates retention system and should therefore not be exposed to any volatility in business rates income. As a result MOPAC's total general grant funding (including this revenue support grant component) is £1.969.2 million.

## **Section 8 – GLA Group – Future Years Funding**

---

- 8.14 The Home Office has not made any announcements on the proposed grant allocations for 2014-15 – pending decisions being made on the application of the additional 2 per cent reduction announced in the Autumn Statement and a review more generally of the police funding formula. The Home Office had already indicated that there would be a fundamental review of police funding prior to the 2015-16 settlement and it is therefore possible that significant changes could now be introduced a year earlier.

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

- 8.15 LFEPA has historically received its entire core funding from DCLG either through formula grant (£252.1 million in 2012-13 net of council tax freeze grant) or the much smaller fire revenue specific grant. The 2010 Spending Review envisaged that funding via formula grant for fire authorities would decline by up to 25 per cent between 2010-11 and 2014-15.
- 8.16 LFEPA's formula grant was reduced by £8.5 million (3.3 per cent) on a like for like basis in 2011-12 compared to 2010-11 and was increased by £0.4 million (0.2 per cent) in 2012-13. The net impact was a reduction of around 3 per cent in cash terms over the two years – around 60 per cent of the average reduction for fire authorities of just over 5 per cent. This reflected the impact of the introduction of a new funding formula for the 2011-12 settlement which increased the weighting for population density resulting in LFEPA's funding - before the effect of floor damping - increasing.
- 8.17 In December 2011 the Government confirmed that LFEPA – along with other single purpose fire authorities – will form part of the new business rates retention system from April 2013. As a result the annual movement in LFEPA's grant income from 2013-14 onwards will be partially linked to the growth in business rates revenues in London rather than being determined entirely through a national fire funding formula supported by a damping mechanism.
- 8.18 CLG announced on 19 December 2012 in the provisional settlement that fire formula grant would be reduced by an average of 7.5 per cent in 2013-14. LFEPA, however, received a provisional grant allocation of £242.1million – a reduction of only 4 per cent (or £10million in cash terms). This was the lowest percentage reduction of any fire authority in England by some margin and reflected the impact of use of the new 2011 census population data as well as the ongoing effect of the formula changes introduced in the 2011-12 settlement which increased the weighting for population density. LFEPA was also provisionally allocated £7million via the fire revenue specific grant in 2013-14 – which when combined with its PFI grant and other items results in total forecast specific grant income of around £10.9m.
- 8.19 LFEPA has also been allocated £23.3 million of council tax support grant by the Mayor in 2013-14 which is offset by a matching reduction in its council tax requirement to ensure it does not bear any adverse budgetary impact from the localisation of council tax support in its first year. This figure represents its proportionate share of the non police element of this grant based on the 2013-14 precept.

## **Section 8 – GLA Group – Future Years Funding**

---

- 8.20 In addition, it will also receive around £7million from the ongoing £23.4 million council tax freeze grant allocation for 2011-12. These two items along with its formula grant will form part of the rates retention system – with 40 per cent being funded via this mechanism and 60 per cent via the Mayor’s revenue support grant in 2013-14. At this stage for planning purposes LFEPA’s general grant levels are assumed to be the same in 2015-16 as the provisional figures issued for 2014-15.

### **GLA (Mayor) and Assembly Grant Funding**

- 8.21 The GLA’s general grant for 2013-14 has been confirmed as £45.7 million – the same figure as set out in the London settlement agreed by the Mayor with the government in summer 2012. Its 2014-15 general grant however has been reduced by the additional 2 per cent target set out in the Autumn Statement – and will now be £42.6 million (a 6.8 per cent cash reduction compared to 2013-14).
- 8.22 The GLA will also be allocated £17.8million of council tax support (CTS) grant by the Mayor in 2013-14 (i.e. the balance of the £41.1million of non police CTS grant not allocated to LFEPA) to offset the ending of DWP council tax benefit subsidy.
- 8.23 The GLA will manage the budgetary risks and shortfalls associated with the localisation of council tax support on behalf of the Group in setting the 2013-14 budget – with any shortfalls being met via the precept resilience reserve. This along with the General grant will form part of the rates retention system – with 40 per cent being funded via this mechanism and 60 per cent via the Mayor’s revenue support grant in 2013-14. In addition around £7million of the 2011-12 council tax freeze grant has been reallocated from MOPAC to the GLA (offset by a precept readjustment) in order to ensure that MOPAC is funded entirely outside the rates retention system.
- 8.24 The core GLA’s budget assumes it will receive £16.6 million in specific grants in 2013-14. This includes forecast income of £9.5 million from the 2013-14 council tax freeze grant announced by the Government in October 2012. This is payable to all authorities which reduce or freeze their council tax in 2013-14 and represents the sum equivalent to what would have been generated through a 1 per cent increase allowing for the year on year movement in the council taxbase. This reward grant is paid for two years (2013-14 and 2014-15) and has been applied to support the Mayor’s precept.
- 8.25 An additional £2 million of specific grant income is reflected in the budget relating to the council tax support transition grant. This is in recognition of the fact that an estimated 18 London billing authorities have agreed council tax support schemes for 2013-14 which meet the conditions for this funding – the primary condition being that working age claimants currently in receipt of 100 per cent benefit should be required to pay no more than 8.5 per cent of their council tax liability in 2013-14. This is a one off grant and at this stage it is not anticipated that it will continue in 2014-15. The remaining GLA specific grant income primarily relates to European Union funding streams.

## **Section 8 – GLA Group – Future Years Funding**

---

### **Transport for London**

- 8.26 TfL is the only functional body which was awarded a four year settlement through to 2014-15 at the time of the Comprehensive Spending Review announcement in October 2010. This settlement was revised in November 2011 and November 2012 when TfL was awarded additional grant to maintain fare increases below its previous RPI +2 per cent planning assumptions for 2012 and 2013 respectively.
- 8.27 The final local government finance settlement confirmed that £758.5 million of former GLA transport grant would be transferred into the rates retention system along with an indicative figure of £44.3 million in respect of bus operators support grant (approximately 50 per cent of the current London allocation) which is expected to be devolved to TfL from October 2013 subject to consultation. The former had been reduced by around 1.7 per cent compared to the £771 million sum which CLG had indicated would be transferred in respect of GLA transport grant in a policy statement on 21 November.
- 8.28 This reduction reflects the impact of the 1 per cent DEL reduction in 2013-14 and 2 per cent in 2014-15 for non protected services (excluding local government which was exempt from these additional reductions in 2013-14 only) announced in the Autumn statement – in recognition of the fact that sums being transferred into the rates retention baseline are fixed for both years (and in principle subject to changes in business rates revenues until the reset of the retention system in 2020).
- 8.29 This budget assumes that £1,102 million of general (operating) GLA Transport grant will be received for the purposes of TfL in 2013-14 in addition to its rates retention funding along with £48 million of other specific grants in line with the current settlement agreed with the Department for Transport. This excludes the investment grant element of the GLA Transport grant (£904 million in 2013-14) which is applied for capital purposes and an estimated £184 million in respect of Metronet capital funding – both of which are reflected in TfL's capital spending plan.
- 8.30 On 8 February the Secretary of State for Transport wrote to the Mayor to consult him on proposals to reduce the residual GLA transport grant by £20.1 million in 2013-14 and £35.1 million in 2014-15 compared to the current approved allocations. These reductions were confirmed by the Secretary of State on 5 March but the impact of these revisions have not been reflected in the calculations in this budget as they were confirmed after the statutory publication date of 28 February. The impact of the final reductions in the residual GLA Transport Grant once confirmed will need to be considered by TfL's Board and TfL will be required to absorb any reductions made in its budget plans for 2013-14.

### **London Legacy Development Corporation**

- 8.31 The LLDC is funded from GLA resources – however for planning purposes it is assumed that the above changes in the GLA's funding will not materially affect its resource allocation from the Mayor in the current spending review period.

## **Section 8 – GLA Group - Future Years Funding**

---

### **Council tax benefit localisation and technical reforms to Council Tax**

- 8.32 Details on the impact of council tax benefit localisation and the technical reforms to council tax are explained in more detail in section 9. The application of the associated council tax support grant to GLA, LFEPA and MOPAC is addressed earlier in this section.

### **Current information on funding allocations announced for the 2012-13 to 2014-15 financial years**

- 8.33 The table on the following page summarises the latest position on the status of the grant settlement information for the remainder of the current CSR period across the GLA Group – and also indicates the uncertainty moving forward for 2015-16. It confirms the primary components and sources of each functional body's funding from Central Government and what information has been issued so far for 2013-14 onwards.

### **London Finance Commission**

- 8.33 The London Finance Commission chaired by Tony Travers was constituted in summer 2012 and is scheduled to issue its provisional recommendations in spring 2013. Its aim is to help improve the tax and public spending arrangements for London to promote economic growth. Its conclusions will inform the long term funding and financing strategy and lobbying of the GLA group.

### **Conclusion**

- 8.34 Further details on council tax support and business rates retention and their potential impact on the GLA Group are set out in the next section.

## Section 8 – GLA Group - Future Years Funding

### Information on Government funding settlements for the GLA and each Functional Body for 2013-14 to 2015-16

| Functional Body                                                            | Sources of Core Central Government Funding                                                                                                          | 2013-14 | 2014-15 | 2015-16                             |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|-------------------------------------|
| <b>GLA</b>                                                                 | GLA general grant (DCLG) paid via Revenue support grant (60 per cent) and rates retention (40 per cent) from 2013-14                                | Yes     | Yes     | Partially (rates retention element) |
|                                                                            | GLA Housing capital funding                                                                                                                         | Yes     | Yes     | No                                  |
| <b>MOPAC</b>                                                               | Home Office Police grant                                                                                                                            | Yes     | No      | No                                  |
|                                                                            | Home Office Specific grants (including counter-terrorism funding)                                                                                   | Partial | No      | No                                  |
|                                                                            | Council tax support                                                                                                                                 | Yes     | Yes     | No                                  |
|                                                                            | Formula grant (DCLG)                                                                                                                                | Yes     | No      | No                                  |
| <b>LFEPa</b>                                                               | Formula grant (paid via Revenue support grant - 60 per cent - and rates retention - 40 per cent in 2013-14) plus fire revenue specific grant (DCLG) | Yes     | Yes     | Partially (rates retention element) |
| <b>TfL</b>                                                                 | Transport grant (DfT)                                                                                                                               | Yes*    | Yes*    | No                                  |
|                                                                            | Other specific grants                                                                                                                               | Yes     | Yes     | No                                  |
|                                                                            | Rates retention funding                                                                                                                             | Yes     | Yes     | Yes                                 |
| <b>LLDC</b>                                                                | Via GLA General grant                                                                                                                               | Yes     | Yes     | No                                  |
| <b>Council tax freeze grant for 2013-14</b>                                | CLG specific grant – final sum dependent on 2013-14 council tax base                                                                                | Yes     | Yes     | N/A                                 |
| <b>Non police Council tax support and 2011-12 council tax freeze grant</b> | Paid via Revenue support grant (60 per cent) and rates retention (40 per cent) from 2013-14                                                         | Yes     | Yes     | No                                  |

\*The Secretary of State for Transport confirmed to the Mayor on 5 March 2013 that further reductions would be made to the GLA Transport Grant for 2013-14 and 2014-15 – although the latter figure remains provisional. The table excludes one off grant streams such as the council tax support transition grant.

## Section 9: New Financial Regime

---

### Introduction

- 9.1 This section explains the impact of the introduction of retained business rates and the localisation of council tax support from 2013-14 on the GLA Group budget.

### Start up funding position for 2013-14 Comprising Rates Retention Funding Baseline and Revenue Support Grant

- 9.2 As explained in section 8 the final local government finance settlement provided local and fire authorities with information on how much Revenue Support Grant they had been allocated in 2013-14 as well as provisional allocations for 2014-15. Police funding continued to be funded on the same basis in 2013-14 as in 2012-13 and the GLA has designed its funding allocations to ensure that MOPAC operates outside the retention system in line with the position for other police forces in England.
- 9.3 The GLA's start up funding assessment represents the baseline funding for non police services which will be financed through business rates in 2013-14. This was set at £1,155 million in the settlement and comprises £758.5 million of former GLA Transport grant, £242.1 million of LFEPA formula grant, £45.7 million of GLA General Grant, £41.1 million of non police council tax support grant, £44.4 million of bus operators support grant and £23.4 million for the 2011-12 council tax freeze grant.
- 9.4 Of this figure £211.5 million (comprising 60 per cent of the LFEPA formula, GLA general, council tax support and council tax freeze grant allocations) will be paid in 2013-14 as revenue support grant for the Mayor on an unringfenced basis. This will be allocated on the same basis as for the corresponding 2012-13 grants – including £9.4 million to be paid to MOPAC in respect of its share of the 2011-12 council tax freeze grant in 2012-13. This funding will be scaled back – as is reflected in the 2014-15 indicative allocations – to meet the Government's spending control totals in the next Spending Review period.
- 9.5 The remaining £943.5 million of the start up funding allocation represents the amount to be included in the rates retention system for the Mayor and GLA Group – this is termed 'the baseline funding level'. This includes both transport funding streams and the residual elements (i.e. 40 per cent) of the other grants not being paid via revenue support grant.

### Operation of New Retained Rates Section

- 9.6 It was agreed between the Mayor and the 33 London billing authorities through London Councils that the GLA would receive 40 per cent of the local (50 per cent) share of business rates revenues in the capital – with boroughs and the Corporation of London retaining the remaining 60 percent.
- 9.7 After making an adjustment for potential appeals and forecast rates reliefs the Government has calculated an individual authority business rates baseline for the GLA Group and other English local and fire authorities. This has been determined by multiplying the 'Estimated business rates aggregate' by each billing authority's forecast share of business rates revenues using a two year average for 2010-11 and 2011-12 (the proportionate share).

## Section 9: New Financial Regime

---

- 9.8 For each of the 33 London billing authorities the calculated business rates baseline is then apportioned with the GLA using the agreed 60 per cent billing authority to 40 per cent GLA apportionment. On this basis the GLA's business rates baseline at the start of the system has been determined at £1,285.8 million.
- 9.9 A system of 'tariffs' and 'top-ups' will be introduced to equalise and protect authorities in different circumstances. Authorities whose business rates baseline exceeds their baseline funding level will pay a tariff. Authorities whose baseline funding exceeds their business rates baseline will receive a top up payment.
- 9.10 Tariff and top-ups therefore enable a one-off distribution of resources at the outset of the scheme and ensure that each local authority receives its baseline funding level on day one. Tariff and top-ups will be fixed until the system is reset but, in line with the business rates multiplier, will be updated each year by the increase in RPI as at the previous September. In London seven boroughs (mostly in central London), the City of London and the GLA will be tariff authorities and the remaining 25 will be top up authorities. The GLA's tariff payment was forecast to be £342.3 million in 2013-14 in the provisional settlement (the difference between its rates baseline of £1,285.8 million and its funding baseline of £943.5 million) – rising annually by RPI as at the previous September in line with the uplift to the NNDR multiplier.
- 9.11 A 'disproportionate benefits levy' will also limit the potential gains of tariff authorities. This is to reflect the different gearing effects for individual authorities – for example a 1 per cent growth in business rates revenues would potentially generate over £5 million of additional resource for the City of Westminster but only £150,000 for the London Borough of Lewisham.
- 9.12 The levy rate is calculated using the following formula – with the maximum levy rate being set at 50 percent:
- $$\text{Levy rate} = 1 - \frac{\text{baseline funding level}}{\text{individual authority business rates baseline}}$$
- 9.13 The levy rate for the GLA is 26.6 per cent provisionally – and therefore it will retain 73.4 per cent of any growth in its rates baseline and pay the difference to CLG. Top up authorities will retain the entire growth in their local share. In light of the forecast returns from London billing authorities the GLA is not budgeting on the basis that it will need to make a levy payment in 2013-14.
- 9.14 Business rates revenues can of course go down as well as up. This can arise because of a number of factors including the closure of a major employer, the demolition or refurbishment of a major development or because of refunds – potentially backdated several years – payable to rate payers arising from corrections to the rating list valuation for their property or due to changes in national rating policy.

## Section 9: New Financial Regime

---

- 9.15 In order to protect authorities against this volatility the Government has put in place a safety net or floor on the maximum reduction an authority will bear locally year on year. Under this safety net no authority will be permitted to see its baseline funding level drop by more than 7.5 per cent in real terms (equivalent to £71 million for the GLA in 2013-14). This protection will be provided through a safety net payment. In light of the forecast returns from London billing authorities the GLA is not budgeting on the basis that it will receive a safety net payment in 2013-14.
- 9.16 All growth on the 50 per cent local share of business rates will be retained by each local authority locally up to 2020 – subject to the levy rate applying to tariff authorities. The GLA will receive a 20 per cent share of any growth or bear 20 per cent of any downside of the retained business rates in the London area (i.e. 50 per cent of its 40 per cent share).
- 9.17 The GLA will receive its business rates income directly from the 33 London billing authorities. The accounting and reporting arrangements will operate on a similar basis to council tax – with a budgeted forecast being used to determine in year instalments with any variations in the forecast outturn (whether a surplus or deficit) being adjusted for in the following year's instalments.
- 9.18 The 33 London billing authorities supplied their forecast revenues for 2013-14 at the end of January 2013. Overall the forecast rates income estimated by billing authorities totalled £1,251.3million - which after applying the tariff payment payable to CLG of £342.3m - leaves £908.9 million available to support GLA group services. This is £34.6 million lower than the baseline funding allocations. These figures represent forecasts, however, and if the outturn is different this will be adjusted for in the instalments paid to the GLA in 2014-15.

### **Use of GLA Business Rates Retention Funding in 2013-14 and 2014-5**

- 9.19 For 2013-14 the Mayor is allocating an estimated £943.5 million of retained business rates to his priorities across the Group. The apportionment of this is set out in section 10.
- 9.20 Previously, this resource was effectively hypothecated to parts of the Group and the Mayor had no effective discretion as to how it was deployed. So, the introduction of retained business rates gives the Mayor greater flexibility to move resources between all members of the Group. Although it is important to note the Secretary of State for Transport's clarification that the changed arrangements for the funding of TfL should not reduce the amount of money available to it over the current Spending Review period.
- 9.21 The prospect of additional funding for any member of the GLA Group will come from a focus on strengthening London's economy and attracting companies and investors to develop new and existing sites for commercial development. This will lead to additional business rates revenues and thus increase the resources available to support the work of the GLA and functional bodies.

## Section 9: New Financial Regime

---

### Localisation of Council Tax Support and Impact on Council Tax Revenues

- 9.22 Decision making on the award of council tax benefit will be localised from April 2013. Eligible pensioner households will continue to receive council tax benefit as at present but local authorities will be free to introduce their own schemes for working age households. This will be accompanied by a 10 per cent reduction in Government support for council tax benefit – equivalent to a shortfall of around £90 million in London compared to 2010-11 subsidy levels. Boroughs will also, however, have new powers to generate extra revenues for themselves (and the GLA) from reducing or removing discounts & exemptions for second and empty homes to partly or fully offset this loss depending on local circumstances.
- 9.23 Approximately £180 million of the Mayor's £935 million precept revenues in 2012-13 are effectively funded by council tax benefit subsidy paid to the 33 London billing authorities. From April 2013 Council tax support (formerly council tax benefit or CTB) will be treated as a discount (similar to the single person discount) and not a benefit – and therefore local authorities will no longer claim the costs via a 100 per cent subsidy payment from DWP.
- 9.24 In order to compensate for the loss of subsidy from April 2013 local billing authorities (e.g. London boroughs) and their preceptors (e.g. the GLA) received a new council tax support grant from CLG. The GLA's total council tax support grant for 2013-14 is £160.4 million – comprising £119.3 million for police services (paid as a separate specific grant for MOPAC) and £41.1 million (paid through rates retention and revenue support grant) for non police services. The allocation of this has had the effect of reducing the Mayor's council tax requirement from £935.1 million in 2012-13 to £778.7 million in 2013-14 (after allowing for the 1.2 percent precept reduction).
- 9.25 In April 2012 there were 827,000 households in London in receipt of council tax benefit – of these 544,000 are of working age and therefore could potentially be affected by changes to council tax support following localisation – if all 33 London billing authorities were to pass on their shortfalls to claimants. Around 342,000 of these working age claimants are on certain key income related benefits and therefore receive benefit for 100 per cent of their council tax bill at present.
- 9.26 Each London billing authority was required to determine its proposed council tax support scheme for 2013-14 by 31 January 2013 – and reflect the discounts in its council tax base which will be used for tax setting by it and the GLA. Seven London billing authorities will continue to pay council tax support on the same basis as now to all claimants and therefore will see no change to their bills – except for a limited number of cases in one of these authorities which is withdrawing the second adult rebate.

## Section 9: New Financial Regime

---

- 9.27 The remaining 26 have agreed schemes which will require the majority of or all working age claimants to pay a greater proportion of their council tax liability.
- 9.28 Legal challenges have been or are expected to be launched against the proposals for at least three London boroughs. The first such case – Haringey’s – was dismissed by the High Court on 7 February and the Court of Appeal on 13 February. However it is unclear if and when any further challenges will be lodged. If an authority’s scheme were to be declared invalid it is likely that a revised taxbase would need to be agreed.
- 9.29 The Government is also providing an additional council tax support transition grant of £100 million nationally in 2013-14 – which authorities will receive if they agree schemes which do not require working age claimants in receipt of 100 per cent benefit at present to pay more than 8.5 per cent of their tax liability and also do not disincentivise work. The GLA will also receive a grant – based on its share of the precept in each borough area – for each London billing authority that qualifies under the Government’s criteria for the incentive scheme.
- 9.30 If all 33 billing authorities had designed schemes which met the criteria then the GLA would be eligible for a transition grant of £4.3 million. However the GLA estimates that only 18 of the 33 authorities have designed schemes which are compliant with the terms for the grant and as a result it is likely to receive £2 million based on the GLA’s share of the council tax in that authority. The revenues from this one off one year reward grant will be transferred into the precept resilience reserve to support council tax support risks moving forward.
- 9.31 Precepting authorities will share the risk that billing authorities either absorb the estimated reduction in funding as a loss of income or, if they decide to pass the reduction onto claimants, then the impact of reduced collection rates. Therefore, the new Council Tax Benefits system is likely to lead to losses of income for precepting authorities – and increased risk and uncertainty in respect of precept income.
- 9.32 The GLA had assumed for planning purposes that there would be a £15 million funding gap in 2013-14 due to the impact of Council Tax Benefit localisation – net of any assumed offsetting uplift for the technical reforms for second and empty homes. However, this was a speculative figure with the final sums being dependent on Borough decisions on their localised benefits schemes, actual claimant levels and budgeted collection rates. This budget reflects the updated information supplied by all 33 billing authorities on their council tax support schemes and council taxbases.
- 9.33 The GLA has already increased its Precept Resilience Reserve to account for this pressure in 2013-14 and to manage risks moving forward in respect of collection rates and growth in claimant numbers. This was to ensure that neither MOPAC nor LFEPA would bear any risks arising from council tax benefit localisation in setting the 2013-14 budget. This policy will be reviewed during 2013-14.

## Section 9: New Financial Regime

---

### Conclusion

- 9.34 The new financial regime will have a profound impact on the GLA's budget. It creates opportunities and risks and some of the detail still needs to be confirmed. The assumed impact of the new system on each member of the GLA Group in terms of their forecast funding allocations is reflected in the financial tables included in this document.
- 9.35 Payments to functional bodies will also reflect the constraints of this new regime and will be made on the basis of the need to incur expenditure against their approved budget.
- 9.36 Due to the fact that there remain concerns about the potential volatility and accuracy of the council tax and business rates taxbase estimates which billing authorities will be able to provide for 2013-14 the GLA has set aside a precept resilience reserve of £47.4 million to help manage these risks - £24.2 million higher than in the draft budget

## Section 10: Statutory and Component Budget Information

10.1 The tables below summarise how the net expenditure (financing requirement) and council tax requirement is calculated for the GLA and each functional body in 2013-14.

| <b>Net financing requirement<br/>For 2013-14</b> | <b>Gross<br/>expenditure</b> | <b>Other<br/>income</b> | <b>Net<br/>expenditure<br/>before use<br/>of reserves</b> | <b>Use of<br/>Reserves</b> | <b>Net expenditure<br/>after use of<br/>reserves</b> |
|--------------------------------------------------|------------------------------|-------------------------|-----------------------------------------------------------|----------------------------|------------------------------------------------------|
|                                                  | <b>£m</b>                    | <b>£m</b>               | <b>£m</b>                                                 | <b>£m</b>                  |                                                      |
| <b>Mayor's Office for Policing<br/>and Crime</b> | <b>3,269.9</b>               | <b>-297.1</b>           | <b>2,972.8</b>                                            | <b>27.3</b>                | <b>3,000.1</b>                                       |
| Greater London Authority<br>(Mayor and Assembly) | 751.9                        | -495.6                  | 256.2                                                     | -71.6                      | 184.6                                                |
| London Fire and Emergency<br>Planning Authority  | 445.1                        | -30.1                   | 415.0                                                     | -3.3                       | 411.7                                                |
| Transport for London                             | 6,731.8                      | -4,773.0                | 1,958.8                                                   | 0.0                        | 1,958.8                                              |
| London Legacy Development<br>Corporation         | 44.2                         | -38.7                   | 5.5                                                       | -5.5                       | 0.0                                                  |
| <b>Total Other Services</b>                      | <b>7,973.0</b>               | <b>-5,337.5</b>         | <b>2,635.5</b>                                            | <b>-80.4</b>               | <b>2,555.1</b>                                       |
| <b>Total GLA Group</b>                           | <b>11,242.9</b>              | <b>-5,634.6</b>         | <b>5,608.3</b>                                            | <b>-53.1</b>               | <b>5,555.2</b>                                       |

Note: GLA gross expenditure includes £342.3m of tariff payments to CLG for rates retention which is not applied for the purposes of the Group.

| <b>Council Tax<br/>requirement<br/>and Band D council<br/>tax amounts</b> | <b>Net<br/>expenditure<br/>after use of<br/>reserves</b> | <b>Specific<br/>Government<br/>Grants</b> | <b>General<br/>Government<br/>Grants</b> | <b>Retained<br/>Business<br/>Rates</b> | <b>Council Tax<br/>Requirement</b> | <b>Band D<br/>Amount</b> |
|---------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------|--------------------------|
|                                                                           | <b>£m</b>                                                | <b>£m</b>                                 | <b>£m</b>                                | <b>£m</b>                              | <b>£m</b>                          | <b>£</b>                 |
| <b>Mayor's Office for<br/>Policing and Crime</b>                          | <b>3,000.1</b>                                           | <b>-473.8</b>                             | <b>-1,969.2</b>                          | <b>0.0</b>                             | <b>557.1</b>                       | <b>216.92</b>            |
| Greater London<br>Authority (Mayor and<br>Assembly)                       | 184.6                                                    | -16.6                                     | -38.6                                    | -31.8                                  | 97.6                               | 37.90                    |
| London Fire and<br>Emergency Planning<br>Authority                        | 411.7                                                    | -10.9                                     | -163.5                                   | -108.9                                 | 128.4                              | 49.87                    |
| Transport for London                                                      | 1,958.8                                                  | -1,150.0                                  | 0.0                                      | -802.8                                 | 6.0                                | 2.33                     |
| London Legacy<br>Development<br>Corporation                               | 0.0                                                      | 0.0                                       | 0.0                                      | 0.0                                    | 0.0                                | 0.00                     |
| Net Collection fund<br>(surplus)/deficit                                  | -10.4                                                    | 0.0                                       | 0.0                                      | 0.0                                    | -10.4                              | -4.02                    |
| <b>Total other services</b>                                               | <b>2,544.7</b>                                           | <b>-1,177.5</b>                           | <b>-202.1</b>                            | <b>-943.5</b>                          | <b>221.6</b>                       | <b>86.08</b>             |
| <b>Total GLA Group</b>                                                    | <b>5,544.8</b>                                           | <b>-1,651.3</b>                           | <b>-2,171.3</b>                          | <b>-943.5</b>                          | <b>778.7</b>                       | <b>303.00</b>            |

2012-13 Council Tax: £306.72. GLA expenditure is presented gross of collection fund surplus whereas in the statutory calculation in Part 1 this income is treated as GLA Mayor income.

## Section 10: Statutory and Component Budget Information

10.2 The net revenue expenditure (or financing requirement) shown in the tables above – after allowing for the impact of variances in the collection of council taxes by London Boroughs – represents the sum of:

- revenue grants from the Government. These include general government grants (the Home Office police grant, police formula grant and revenue support grant) and specific grants (including the revenue element of the GLA transport grant);
- retained business rates; and
- each body's share of the Council Tax precept.

| <b>Net revenue expenditure<br/>(financing requirement)</b> | <b>Revised<br/>Budget<br/>2012-13<br/>£m</b> | <b>Budget<br/>2013-14<br/>£m</b> | <b>Plan<br/>2014-15<br/>£m</b> | <b>Plan<br/>2015-16<br/>£m</b> |
|------------------------------------------------------------|----------------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| GLA                                                        | 212.7                                        | 184.6                            | 177.8                          | 174.3                          |
| MOPAC                                                      | 3,286.4                                      | 3,000.1                          | 2,928.6                        | 2,893.8                        |
| LFEPA                                                      | 394.0                                        | 411.7                            | 389.9                          | 389.9                          |
| TfL                                                        | 2,083.0                                      | 1,958.8                          | 1,672.1                        | 1,672.1                        |
| LLDC                                                       | 22.4                                         | 0.0                              | 0.0                            | 0.0                            |
| Collection fund (surplus)/deficit                          | -9.7                                         | -10.4                            | 0.0                            | 0.0                            |
| <b>Net revenue expenditure</b>                             | <b>5,988.8</b>                               | <b>5,544.8</b>                   | <b>5,168.4</b>                 | <b>5,130.1</b>                 |

\*For illustrative purposes only TfL's 2015-16 net revenue expenditure is assumed to be the same as that for 2014-15.

### Government grants

10.3 The tables overleaf summarise the final grant allocations which the GLA and each functional body are forecast to receive from central government in 2013-14 and 2014-15. These represent the sums paid outside the business rates retention system and reflect the final local government, fire and police settlements approved by Parliament.

The most significant grants are:

- The GLA transport grant paid to TfL under section 101 of the GLA Act;
- Home office police specific grant funding for counter-terrorism, designated security post and other funding for MOPAC relating to the MPS's national policing responsibilities;
- Home Office police general grant; and
- Revenue support grant – which comprises around 60 per cent of the funding received through the former GLA general grant, LFEPA formula grant, the 2011-12 council tax freeze grant and the new council tax support grant

## Section 10: Statutory and Component Budget Information

### Analysis of Government grants for 2013-14 (excluding rates retention funding)

|                                                    | GLA<br>Transport<br>Grant<br>(operating<br>element)<br>£m | Other<br>Specific<br>revenue<br>grants<br>£m | Home<br>Office<br>Police grant<br>(general)<br>£m | Home<br>Office<br>Formula<br>grant<br>(general)<br>£m | Revenue<br>Support<br>Grant<br>(general)<br>£m | Total<br>£m    |
|----------------------------------------------------|-----------------------------------------------------------|----------------------------------------------|---------------------------------------------------|-------------------------------------------------------|------------------------------------------------|----------------|
| <b>Mayor's Office for<br/>Policing and Crime</b>   | <b>0.0</b>                                                | <b>473.8</b>                                 | <b>1,138.4</b>                                    | <b>821.4</b>                                          | <b>9.4</b>                                     | <b>2,443.0</b> |
| Greater London Authority<br>(Mayor and Assembly)   | 0.0                                                       | 16.6                                         | 0.0                                               | 0.0                                                   | 38.6                                           | 55.3           |
| London Fire and<br>Emergency Planning<br>Authority | 0.0                                                       | 10.9                                         | 0.0                                               | 0.0                                                   | 163.5                                          | 174.4          |
| Transport for London                               | 1,102.0                                                   | 48.0                                         | 0.0                                               | 0.0                                                   | 0.0                                            | 1,150.0        |
| London Legacy<br>Development Corporation           | 0.0                                                       | 0.0                                          | 0.0                                               | 0.0                                                   | 0.0                                            | 0.0            |
| <b>Total Other Services</b>                        | <b>1,102.0</b>                                            | <b>75.6</b>                                  | <b>0.0</b>                                        | <b>0.0</b>                                            | <b>202.1</b>                                   | <b>1,379.7</b> |
| <b>Total GLA Group</b>                             | <b>1,102.0</b>                                            | <b>549.4</b>                                 | <b>1,138.4</b>                                    | <b>821.4</b>                                          | <b>211.5</b>                                   | <b>3,822.7</b> |

### Analysis of Government grants 2014-15 (excluding rates retention funding)

|                                                    | GLA<br>Transport<br>Grant<br>(operating<br>element)<br>£m | Specific<br>revenue<br>grants<br>£m | Home<br>Office<br>Police grant<br>(general)<br>£m | Home<br>Office<br>Formula<br>grant<br>(general)<br>£m | Revenue<br>Support<br>Grant<br>(general)<br>£m | Total<br>£m    |
|----------------------------------------------------|-----------------------------------------------------------|-------------------------------------|---------------------------------------------------|-------------------------------------------------------|------------------------------------------------|----------------|
| <b>Mayor's Office for<br/>Policing and Crime</b>   | <b>0.0</b>                                                | <b>467.2</b>                        | <b>1,084.1</b>                                    | <b>815.1</b>                                          | <b>9.4</b>                                     | <b>2,375.8</b> |
| Greater London Authority<br>(Mayor and Assembly)   | 0.0                                                       | 19.3                                | 0.0                                               | 0.0                                                   | 34.7                                           | 54.0           |
| London Fire and<br>Emergency Planning<br>Authority | 0.0                                                       | 10.9                                | 0.0                                               | 0.0                                                   | 142.2                                          | 153.1          |
| Transport for London                               | 827.0                                                     | 36.3                                | 0.0                                               | 0.0                                                   | 0.0                                            | 863.3          |
| London Legacy<br>Development Corporation           | 0.0                                                       | 0.0                                 | 0.0                                               | 0.0                                                   | 0.0                                            | 0.0            |
| <b>Total Other Services</b>                        | <b>827.0</b>                                              | <b>66.5</b>                         | <b>0.0</b>                                        | <b>0.0</b>                                            | <b>176.9</b>                                   | <b>1,070.4</b> |
| <b>Total GLA Group</b>                             | <b>827.0</b>                                              | <b>533.7</b>                        | <b>1,084.1</b>                                    | <b>815.1</b>                                          | <b>186.3</b>                                   | <b>3,446.2</b> |

## Section 10: Statutory and Component Budget Information

### Rates Retention Funding

- 10.4 The table below illustrates that the £943.5 million included in the GLA Group's rates retention funding baseline has been allocated for 2013-14 on the same basis as in 2012-13. The exception being the new council tax support grant for non police services which has been allocated between GLA and LFEPA in line with their respective precept shares in 2013-14.
- 10.5 In addition £6.5 million of the 2011-12 council tax freeze grant included in the retention baseline which was included in MOPAC's formula grant in 2012-13 will be paid to the GLA in 2013-14 in order to ensure – in line with the policy elsewhere in England – that local policing bodies is not be financed via rates retention. MOPAC's council tax requirement has been increased (offset by a reduction to the GLA's allocation) to ensure the amount of funding available to it is unchanged.

### Provisional Allocation of Rates Retention Funding in 2013-14

|                                       | GLA         | TfL          | LFEPA        | MOPAC      | LLDC       | Total        |
|---------------------------------------|-------------|--------------|--------------|------------|------------|--------------|
|                                       | £m          | £m           | £m           | £m         | £m         | £m           |
| Former GLA Transport grant+           | 0.0         | 758.5        | 0.0          | 0.0        | 0.0        | 758.5        |
| Former GLA General grant*             | 18.3        | 0.0          | 0.0          | 0.0        | 0.0        | 18.3         |
| Former LFEPA formula grant*           | 0.0         | 0.0          | 96.8         | 0.0        | 0.0        | 96.8         |
| Non police Council tax support grant* | 7.0         | 0.0          | 9.3          | 0.0        | 0.0        | 16.3         |
| Bus operators support grant (BSOG)    | 0.0         | 44.3         | 0.0          | 0.0        | 0.0        | 44.3         |
| 2011-12 council tax freeze grant*     | 6.5         | 0.0          | 2.8          | 0.0        | 0.0        | 9.3          |
| <b>Total</b>                          | <b>31.8</b> | <b>802.8</b> | <b>108.9</b> | <b>0.0</b> | <b>0.0</b> | <b>943.5</b> |

\*These sums represent 40 per cent of the 2013-14 allocation for the former GLA general grant, LFEPA formula grant and council tax support grant for non police services – the balance being paid via revenue support grant. MOPAC receives its council tax support grant funding separately as a local policing body.

+50 per cent of general element of GLA Transport Grant for 2014-15 (excluding additional grant provided to mitigate fare reductions and after applying an additional reduction to the overall total having regard to the changes to departmental spending limits announced in the 2012 Autumn Statement).

- 10.6 The 2013-14 allocations are based on the baseline funding allocations set out in the final local government finance settlement. The 33 London billing authorities submitted their business rates forecast returns for 2013-14 at the end of January. In most cases the forecasts were generally in line with the business rates baselines calculated in the local government settlement but there were a small number of authorities where there were significant variations – either because significant new developments had come on stream in the last 18 months which were not reflected in the business rates baseline calculations – or because of the impact of higher than average assumptions on appeals reflecting local circumstances.

## Section 10: Statutory and Component Budget Information

- 10.7 Overall the aggregate forecast rates income estimated by billing authorities totalled £1,251.3 million - which after applying the tariff payment payable to CLG of £342.3 million - leaves £908.9 million available to support GLA group services. This is £34.6 million lower than the baseline funding allocations set out in the table above.
- 10.8 Due to the impact of appeals there is considerable uncertainty over what the final yield from retained business rates will be for 2013-14 at this stage. In addition the final statutory regulations prescribing how the retained business rates system will operate will not be laid before Parliament until March 2013 - after the final budget is agreed.
- 10.9 The Mayor is committed to delivering the baseline allocations in the table above in 2013-13 - but a final decision will be taken on the sums available to be distributed once billing authorities supply their 2013-14 forecast outturn information for both business rates and council tax in January 2014.
- 10.10 With the exception of a marginal adjustment of £0.2 million between GLA and LFEPA in respect of council tax support in 2014-15 due to a change in the non police precept shares between the two bodies the allocations for 2014-15 are identical to those for 2013-14 as set out below.

### Provisional Allocation of Rates Retention Funding in 2014-15

|                                       | GLA         | TfL          | LFEPA        | MOPAC      | LLDC       | Total        |
|---------------------------------------|-------------|--------------|--------------|------------|------------|--------------|
|                                       | £m          | £m           | £m           | £m         | £m         | £m           |
| Former GLA Transport grant+           | 0.0         | 758.5        | 0.0          | 0.0        | 0.0        | 758.5        |
| Former GLA General grant*             | 18.3        | 0.0          | 0.0          | 0.0        | 0.0        | 18.3         |
| Former LFEPA formula grant*           | 0.0         | 0.0          | 96.8         | 0.0        | 0.0        | 96.8         |
| Non police Council tax support grant* | 7.2         | 0.0          | 9.1          | 0.0        | 0.0        | 16.3         |
| Bus operators support grant (BSOG)    | 0.0         | 44.3         | 0.0          | 0.0        | 0.0        | 44.3         |
| 2011-12 council tax freeze grant*     | 6.5         | 0.0          | 2.8          | 0.0        | 0.0        | 9.3          |
| <b>Total</b>                          | <b>32.0</b> | <b>802.8</b> | <b>108.7</b> | <b>0.0</b> | <b>0.0</b> | <b>943.5</b> |

### Council tax calculations

- 10.11 The difference between net revenue expenditure and the sum of grant funding from the Government and through retained business rates represents the amount to be raised from Council Taxpayers. This sum is recovered by issuing precepts on the City of London and the 32 London boroughs (i.e. the council tax requirement) which are the statutory billing authorities for council tax, national non domestic rates and the Crossrail Business Rate Supplement in the capital.

## Section 10: Statutory and Component Budget Information

- 10.12 There are two sets of Council Tax calculations because the Metropolitan Police District does not include the City of London which has its own police force. Although the statutory arrangements only require a distinction to be made between police and other services, a summary of spending, funding and the resultant Council Tax attributable to each body is provided in the table above. Details of the Council Tax Requirement for police services and other services are set out below.

### Council tax requirement for police services

- 10.13 The estimated amount to be raised for police services is as follows:

| Council Tax for police services               | 2012-13      | 2013-14      | 2014-15      | 2015-16      |
|-----------------------------------------------|--------------|--------------|--------------|--------------|
|                                               | £m           | £m           | £m           | £m           |
| Net financing requirement                     | 3,294.2      | 3,000.1      | 2,928.6      | 2,893.8      |
| Government grants and Retained Business Rates | -2,599.2     | -2,443.0     | -2,375.8     | -2,341.0     |
| <b>Amount for police services</b>             | <b>695.0</b> | <b>557.1</b> | <b>552.8</b> | <b>552.8</b> |

- 10.14 This is equivalent to a band D Council Tax of **£216.92** for 2013-14 in the 32 London boroughs (£228.10 in 2012-13).

### Council tax requirement for other services

- 10.15 The estimated amount to be raised for other services is as follows:

| Council Tax for other services                       | 2012-13      | 2013-14      | 2014-15      | 2015-16      |
|------------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                      | £m           | £m           | £m           | £m           |
| GLA, LFEPa, LLDC and TFL net expenditure             | 2,778.8      | 2,555.1      | 2,239.8      | 2,236.3      |
| Government grants and Retained Business Rates        | -2,529.0     | -2,323.1     | -2,013.9     | -2,010.4     |
| Share of borough net collection fund surplus/deficit | -9.7         | -10.4        | 0.0          | 0.0          |
| <b>Amount for other services</b>                     | <b>240.1</b> | <b>221.6</b> | <b>225.9</b> | <b>225.9</b> |

- 10.16 This is equivalent to a band D Council Tax of **£86.08** for 2013-14 in the City and the 32 London boroughs (£78.62 in 2012-13) after dividing the requirement by the forecast Band D council tax base.

### Summary of council tax by band

- 10.17 The total combined council tax for police and other services is £303.00 for 2013-14 in the 32 London boroughs. This represents a decrease of £3.72 or 1.2 percent compared to the precept for 2012-13 of £306.72.
- 10.18 Council taxpayers in the City of London pay the other services element only. This has been increased by £7.46 from £78.62 to £86.08 – an increase of 9.5 per cent in percentage terms. The change in the precept in the City reflects the impact of rebalancing the precept shares between police and fire offset by the adjustments made to provide for the risks and uncertainties associated with council tax benefit localisation and business rates retention – partly offset by the reduction in the core GLA element to deliver the precept reduction in the 32 boroughs.

## Section 10: Statutory and Component Budget Information

- 10.19 The amounts of council tax for different valuation bands in 2013-14 compared to 2012-13 are shown below for both the 32 London boroughs and for council tax payers in the City of London:

### For Council taxpayers in the 32 London boroughs

| Band          | 2013-14        | 2012-13        | Annual decrease |
|---------------|----------------|----------------|-----------------|
| Band A        | £202.00        | £204.48        | -£2.48          |
| Band B        | £235.67        | £238.56        | -£2.89          |
| Band C        | £269.33        | £272.64        | -£3.31          |
| <b>Band D</b> | <b>£303.00</b> | <b>£306.72</b> | <b>-£3.72</b>   |
| Band E        | £370.33        | £374.88        | -£4.55          |
| Band E        | £437.67        | £443.04        | -£5.37          |
| Band G        | £505.00        | £511.20        | -£6.20          |
| Band H        | £606.00        | £613.44        | -£7.44          |

### For Council Taxpayers in the City of London (excluding police precept)

| Band          | 2013-14       | 2012-13       | Annual change |
|---------------|---------------|---------------|---------------|
| Band A        | £57.38        | £52.41        | £4.97         |
| Band B        | £66.95        | £61.15        | £5.80         |
| Band C        | £76.51        | £69.88        | £6.63         |
| <b>Band D</b> | <b>£86.08</b> | <b>£78.62</b> | <b>£7.46</b>  |
| Band E        | £105.20       | £96.09        | £9.11         |
| Band F        | £124.33       | £113.56       | £10.77        |
| Band G        | £143.46       | £131.03       | £12.43        |
| Band H        | £172.16       | £157.24       | £14.92        |

- 10.20 The tables on the following pages set out the statutory budget calculations for the component and consolidated council tax requirements for 2013-14 as approved under sections 85 and 89 of the GLA Act.

## Section 10: Statutory and Component Budget Information

### Final component and consolidated council tax requirements 2013-14

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

| Line | Sum                  | Description                                                                                                                                                                                                                                                                                                                                                                                      |
|------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1)  | £739,339,888         | estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act                                                                                                                                                                                                                                                                                           |
| (2)  | £5,000,000           | estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act                                                                                                                                                                                                                                                                                                               |
| (3)  | £24,201,883          | estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act                                                                                                                                                                                                                                                                                       |
| (4)  | £0                   | estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the GLA Act                                                                                                                                                                                                                                                                                               |
| (5)  | <b>£768,541,771</b>  | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Mayor (lines (1) + (2) + (3) + (4) above)                                                                                                                                                                                                                                                                        |
| (6)  | -£505,863,522        | estimate of the Mayor's income not in respect of government grant, retained business rates or council tax calculated in accordance with s85(5)(a) of the GLA Act including the GLA share of the collection fund surplus for the 33 London council tax billing authorities and the tariff payment payable to the Secretary of State funded using business rates income not retained by the Mayor. |
| (7)  | -£16,560,769         | estimate of the Mayor's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act                                                                                                                                                                                                                                                                        |
| (8)  | -£35,847,823         | estimate of the Mayor's income from general government grants (i.e. revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act                                                                                                                                                                                                                                                |
| (9)  | -£29,837,076         | estimate of the Mayor's income in respect of retained business rates in accordance with s85(5)(a) of the GLA Act                                                                                                                                                                                                                                                                                 |
| (10) | -£95,807,625         | estimate of Mayor's reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the GLA Act                                                                                                                                                                                                                                                                             |
| (11) | <b>-£683,916,815</b> | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Mayor (lines (6) + (7) + (8) + (9) + (10))                                                                                                                                                                                                                                                                |
| (12) | <b>£84,624,956</b>   | the component council tax requirement for the Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (11) above calculated in accordance with section 85(6) of the GLA Act)                                                                                                                                                                                        |

The final component council tax requirement for the Mayor for 2013-14 is £84,624,956

## Section 10: Statutory and Component Budget Information

### Greater London Authority: London Assembly ("Assembly") final component budget

| Line | Sum                | Description                                                                                                                                                                                                   |
|------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (13) | £7,607,000         | estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the GLA Act                                                                                                     |
| (14) | 0                  | estimated allowance for contingencies for the Assembly under s85(4)(b) of the GLA Act                                                                                                                         |
| (15) | 0                  | estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the GLA Act                                                                                                 |
| (16) | 0                  | estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the GLA Act                                                                                                         |
| (17) | <b>£7,607,000</b>  | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Assembly (lines (13) + (14) + (15) + (16) above)                                                                              |
| (18) | -£175,313          | estimate of the Assembly's income not in respect of government grant, retained business rates or council tax calculated in accordance with s85(5)(a) of the GLA Act                                           |
| (19) | £0                 | estimate of the Assembly's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act                                                                                  |
| (20) | -£2,786,405        | estimate of the Assembly's income from general government grants (i.e. revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act                                                          |
| (21) | -£2,045,282        | Estimate of the Assembly's income in respect of retained business rates in accordance with s85 (5) (a) of the GLA Act.                                                                                        |
| (22) | £0                 | estimate of Assembly's reserves to be used in meeting amounts in lines (13) and (14) above under s85(5)(b) of the GLA Act                                                                                     |
| (23) | <b>-£5,007,000</b> | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Assembly (lines (18) + (19) + (20) + (21) + (22))                                                                      |
| (24) | <b>£2,600,000</b>  | The component council tax requirement for the Assembly (being the amount by which the aggregate at (17) above exceeds the aggregate at (23) above calculated in accordance with section 85(6) of the GLA Act) |

The final component council tax requirement for the Assembly for 2013-14 is £2,600,000.

## Section 10: Statutory and Component Budget Information

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

| Line | Sum                    | Description                                                                                                                                                                                                         |
|------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (25) | £3,269,909,331         | estimated expenditure of the MOPAC calculated in accordance with s85(4)(a) of the GLA Act                                                                                                                           |
| (26) | £0                     | estimated allowance for contingencies for the MOPAC under s85(4)(b) of the GLA Act                                                                                                                                  |
| (27) | £27,300,000            | estimated reserves to be raised for meeting future expenditure of the MOPAC under s85(4)(c) of the GLA Act                                                                                                          |
| (28) | £0                     | estimate of reserves to meet a revenue account deficit of the MOPAC under s85(4)(d) of the GLA Act                                                                                                                  |
| (29) | <b>£3,297,209,331</b>  | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the MOPAC (lines (25) + (26) + (27) + (28) above)                                                                                       |
| (30) | -£297,100,000          | estimate of the MOPAC's income not in respect of government grant, retained business rates or council tax calculated in accordance with s85(5)(a) of the GLA Act                                                    |
| (31) | -£473,789,795          | estimate of the MOPAC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act                                                                                           |
| (32) | -£1,969,194,564        | estimate of the MOPAC's income from general government grants (i.e. revenue support grant. Core Home Office Police Grant and principal police formula grant) calculated in accordance with s85(5)(a) of the GLA Act |
| (33) | £0                     | Estimate of the MOPAC's income in respect of retained business rates in accordance with s85(5)(a) of the GLA Act                                                                                                    |
| (34) | £0                     | estimate of MOPAC's reserves to be used in meeting amounts in lines (25) and (26) above under s85(5)(b) of the GLA Act                                                                                              |
| (35) | <b>-£2,740,084,359</b> | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the MOPAC (lines (30) + (31) +(32) +(33) + (34))                                                                                 |
| (36) | <b>£557,124,972</b>    | the component council tax requirement for MOPAC (being the amount by which the aggregate at (29) above exceeds the aggregate at (35) above calculated in accordance with section 85(6) of the GLA Act)              |

The final component council tax requirement for the MOPAC for 2013-14 is £557,124,972.

## Section 10: Statutory and Component Budget Information

### London Fire and Emergency Planning Authority ("LFEPA") final component budget

| Line | Sum                  | Description                                                                                                                                                                                            |
|------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (37) | £445,071,409         | estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the GLA Act                                                                                                     |
| (38) | £0                   | Estimated allowance for contingencies for LFEPA under s85(4)(b) of the GLA Act                                                                                                                         |
| (39) | £0                   | estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the GLA Act                                                                                                 |
| (40) | £0                   | Estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the GLA Act                                                                                                         |
| (41) | <b>£445,071,409</b>  | aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFEPA (lines (37) + (38) + (39) + (40) above)                                                                              |
| (42) | -£30,100,000         | Estimate of LFEPA's income not in respect of government grant, retained business rates or council tax calculated in accordance with s85(5)(a) of the GLA Act                                           |
| (43) | -£10,900,000         | Estimate of LFEPA's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act                                                                                  |
| (44) | -£163,549,533        | Estimate of LFEPA's income in respect of general government grants (i.e. revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act                                                 |
| (45) | -£108,849,607        | estimate of LFEPA's income in respect of retained business rates in accordance with s85(5)(a) of the GLA Act                                                                                           |
| (46) | -£3,300,000          | Estimate of LFEPA's reserves to be used in meeting amounts in lines (37) and (38) above under s85(5)(b) of the GLA Act                                                                                 |
| (47) | <b>-£316,699,140</b> | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFEPA (lines (42) + (43) + (44) + (45) + (46) above)                                                                |
| (48) | <b>£128,372,269</b>  | the component council tax requirement for LFEPA (being the amount by which the aggregate at (41) above exceeds the aggregate at (47) above calculated in accordance with section 85(6) of the GLA Act) |

The final component council tax requirement for LFEPA for 2013-14 is £128,372,269.

## Section 10: Statutory and Component Budget Information

### Transport for London ("TfL") final component budget

| Line | Sum                    | Description                                                                                                                                                                                          |
|------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (49) | £6,731,775,000         | estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the GLA Act                                                                                                     |
| (50) | £0                     | estimated allowance for contingencies for TfL under s85(4)(b) of the GLA Act                                                                                                                         |
| (51) | £0                     | estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the GLA Act                                                                                                 |
| (52) | £0                     | estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act                                                                                                         |
| (53) | <b>£6,731,775,000</b>  | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the TfL (lines (49) + (50) + (51) + (52) above)                                                                          |
| (54) | -£4,773,000,000        | estimate of TfL's income not in respect of government grant ,retained business rates or council tax calculated in accordance with s85(5)(a) of the GLA Act                                           |
| (55) | -£1,150,000,000        | estimate of TfL's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act                                                                                  |
| (56) | £0                     | estimate of TfL's income in respect of general government grants (i.e. revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act                                                 |
| (57) | -£802,775,000          | estimate of TfL's income in respect of retained business rates in accordance with s85(5)(a) of the GLA Act                                                                                           |
| (58) | £0                     | estimate of TfL's reserves to be used in meeting amounts in lines (49) and (50) above under s85(5)(b) of the GLA Act                                                                                 |
| (59) | <b>-£6,725,775,000</b> | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for TfL (lines (54) + (55) + (56) + (57) +(58) above)                                                                 |
| (60) | <b>£6,000,000</b>      | the component council tax requirement for TfL (being the amount by which the aggregate at (53) above exceeds the aggregate at (59) above calculated in accordance with section 85(6) of the GLA Act) |

The final component council tax requirement for TfL for 2013-14 is £6,000,000.

## Section 10: Statutory and Component Budget Information

### London Legacy Development Company ("LLDC") final component budget

| Line | Sum                 | Description                                                                                                                                                                                           |
|------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (61) | £44,200,000         | estimated expenditure of LLDC for the year calculated in accordance with s85(4)(a) of the GLA Act                                                                                                     |
| (62) | £0                  | estimated allowance for contingencies for LLDC under s85(4)(b) of the GLA Act                                                                                                                         |
| (63) | £0                  | estimated reserves to be raised for meeting future expenditure of LLDC under s85(4)(c) of the GLA Act                                                                                                 |
| (64) | £0                  | estimate of reserves to meet a revenue account deficit of LLDC under s85(4)(d) of the GLA Act                                                                                                         |
| (65) | <b>£44,200,000</b>  | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the LLDC (lines (61) + (62) + (63) + (64) above)                                                                          |
| (66) | -£38,700,000        | estimate of the LLDC's income not in respect of government grant, retained business rates or council tax calculated in accordance with s85(5)(a) of the GLA Act                                       |
| (67) | £0                  | estimate of the LLDC's special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act                                                                              |
| (68) | £0                  | estimate of the LLDC's income in respect of general government grants (i.e. revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act                                             |
| (69) | £0                  | Estimate of the LLDC's income in respect of retained business rates in accordance with s85(5)(a) of the GLA Act                                                                                       |
| (70) | -£5,500,000         | estimate of LLDC's reserves to be used in meeting amounts in lines (61) and (62) above under s85(5)(b) of the GLA Act                                                                                 |
| (71) | <b>-£44,200,000</b> | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (66) + (67) + (68) + (69) + (70)) above                                                                |
| (72) | <b>£0</b>           | the component council tax requirement for LLDC (being the amount by which the aggregate at (65) above exceeds the aggregate at (71) above calculated in accordance with section 85(6) of the GLA Act) |

The final component council tax requirement for the LLDC for 2013-14 is £0.

## Section 10: Statutory and Component Budget Information

---

The Greater London Authority ("GLA") final consolidated council tax requirement calculation incorporating the component council tax requirements for the Greater London Authority (Mayor), Greater London Authority (Assembly), the Mayor's Office for Policing and Crime (MOPAC), the London Fire and Emergency Planning Authority, Transport for London and the London Legacy Development Corporation.

| Line | Sum                 | Description                                                                                                                                                                                                            |
|------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (73) | <b>£778,722,197</b> | the sum of the component council tax requirements for the GLA (Mayor and Assembly) (the sum of the amounts in lines (12) + (24) + (36) + (48) + (60) + (72) calculated in accordance with section 85(8) of the GLA Act |

The final consolidated council tax requirement for the GLA for 2013-14 is £778,722,197

### Aggregate GLA Group budget for 2013-14

| £                                                                                                                 | GLA: Mayor           | GLA: Assembly      | MOPAC                  | LFEPa                | TfL                    | LLDC                | Total                   |
|-------------------------------------------------------------------------------------------------------------------|----------------------|--------------------|------------------------|----------------------|------------------------|---------------------|-------------------------|
| Estimated gross expenditure                                                                                       | £739,339,888         | £7,607,000         | £3,269,909,331         | £445,071,409         | £6,731,775,000         | £44,200,000         | £11,237,902,628         |
| Estimated allowance for contingencies                                                                             | £5,000,000           | £0                 | £0                     | £0                   | £0                     | £0                  | £5,000,000              |
| Estimated reserves to be raised for meeting future expenditure                                                    | £24,201,883          | £0                 | £27,300,000            | £0                   | £0                     | £0                  | £51,501,883             |
| Estimate of reserves to meet a revenue account deficit                                                            | £0                   | £0                 | £0                     | £0                   | £0                     | £0                  | £0                      |
| <b>Estimated total expenditure</b>                                                                                | <b>£768,541,771</b>  | <b>£7,607,000</b>  | <b>£3,297,209,331</b>  | <b>£445,071,409</b>  | <b>£6,731,775,000</b>  | <b>£44,200,000</b>  | <b>£11,294,404,511</b>  |
| Estimate of income not in respect of govt grant, precept or retained rates (inc collection funds and NNDR tariff) | -£505,863,522        | -£175,313          | -£297,100,000          | -£30,100,000         | -£4,773,000,000        | -£38,700,000        | -£5,644,938,835         |
| Estimate of special & specific government grant income                                                            | -£16,560,769         | £0                 | -£473,789,795          | -£10,900,000         | -£1,150,000,000        | £0                  | -£1,651,250,564         |
| Estimate of general government grant                                                                              | -£35,847,823         | -£2,786,405        | -£1,969,194,564        | -£163,549,533        | £0                     | £0                  | -£2,171,378,325         |
| Estimate of Retained Business Rates                                                                               | -£29,837,076         | -£2,045,281        | £0                     | -£108,849,607        | -£802,775,000          | £0                  | -£943,506,965           |
| Estimate of reserves to be used                                                                                   | -£95,807,625         | £0                 | £0                     | -£3,300,000          | £0                     | -£5,500,000         | -£104,607,625           |
| <b>Estimated total income</b>                                                                                     | <b>-£683,916,815</b> | <b>-£5,007,000</b> | <b>-£2,740,084,359</b> | <b>-£316,699,140</b> | <b>-£6,725,775,000</b> | <b>-£44,200,000</b> | <b>-£10,515,682,314</b> |
| <b>Council tax requirement</b>                                                                                    | <b>£84,624,956</b>   | <b>£2,600,000</b>  | <b>£557,124,972</b>    | <b>£128,372,269</b>  | <b>£6,000,000</b>      | <b>£0</b>           | <b>£778,722,197</b>     |