

**MAYOR OF LONDON**

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# **The Mayor's Budget Guidance for 2019-20**

29 June 2018

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### The GLA Group comprises:

- **Greater London Authority (GLA), which includes the London Assembly**
  - **London Fire Commissioner (LFC)**
  - **London Legacy Development Corporation (LLDC)**
  - **Mayor's Office for Policing and Crime (MOPAC), which provides oversight of the Metropolitan Police Service (MPS or 'Met')**
  - **Old Oak and Park Royal Development Corporation (OPDC)**
  - **Transport for London (TfL)**
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## **Executive Summary of the Mayor's Budget Guidance for 2019-20**

This document sets out my Budget Guidance for next year's budget.

There is still a great deal of uncertainty about the level of funding the Greater London Authority (GLA) and its functional bodies will receive in future years.

The Government is due to publish a Comprehensive Spending Review next year. As part of this, the funding needs of police, fire and local authority services will be reviewed. And the GLA's funding baseline is to be reset in April 2020. On top of these challenges, we have the difficult task of forecasting business rates income and trying to analyse the potential economic impact of Brexit.

But despite these uncertainties, we need to start planning ahead for next year's budget and I wish to clarify my intentions in order to give the GLA and its functional bodies the maximum time to develop proposals.

To begin this process, I propose that the GLA Group should assume for their budget planning that their allocation of discretionary revenue income will be broadly as set out in my agreed 2018-19 Budget, with one important exception.

Keeping Londoners safe will always be my top priority. As Mayor, I have sought to provide as much financial support to the Metropolitan Police Service (Met.) as possible. That's why I allocated an additional £110m to the Mayor's Office for Policing and Crime (MOPAC) this year.

I am continuing to put pressure on the Government to provide the funding the Met desperately needs, and I have welcomed the warm words from the new Home Secretary. But – given the Government's terrible record on funding the police – we must continue our budget preparations with the assumption that no additional national funding will be forthcoming.

So, in order to assist planning, I am asking MOPAC to develop budget options based on the Band D police precept increasing next year by £12, the maximum the Government has indicated it will allow. I will then decide and confirm the exact level of the police precept later in the budget process.

My detailed Budget Guidance sets out more details of the 2019-20 Budget process, but I would like to emphasise two key points.

First, there is a new requirement on all members of the GLA Group to produce a Capital Strategy. This will involve some additional work, but it will allow me to make clearer and more transparent long-term decisions on the investment needs of London.

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And second, I would like to express my gratitude for the improvements in the timeliness and quality of quarterly monitoring over the last year. We have come a long way and I would now like to see these improvements fully embedded across the whole of the GLA Group. This will not only help us to oversee the delivery of agreed budgets, but to ensure a continued focus on delivering savings and efficiencies in order to maximise the funds available for delivering my policy priorities.

In the Autumn, I plan to issue preliminary draft budget proposals for consultation with the GLA and its functional bodies. I expect a full submission from all members of the Group, including all the new requirements set out in accordance with my guidance. Once I have reviewed these submissions, they will form the basis of my Draft Consultation Budget to be issued in December ahead of the statutory consultation process with the Assembly in the New Year.

I appreciate that this Budget Guidance will be challenging for the GLA Group to implement. As spending pressures grow, substantial efficiencies and savings will be required. It is therefore vital that the resources we do have are used to their best possible effect so that we can continue to build on the achievements of my first two years in office.

**Sadiq Khan**  
**Mayor of London**  
29 June 2018

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## 1 Introduction

- 1.1 The GLA Group Budget ensures that there are sound financial plans to support Mayoral objectives and priorities within available resources. Set out below is the formal guidance to the GLA and its functional bodies for the 2019-20 Budget.
- 1.2 The 2019-20 budget process in summary requires the GLA and its functional bodies to:
- prepare their 2019-20 budget submission on the basis set out in this guidance;
  - provide timely and high quality quarterly budget monitoring information to help inform the Mayor's deliberations on his budget;
  - work on the basis that control totals for revenue spend set out in this Budget Guidance are likely to be the preliminary draft revenue budget proposals that the Mayor will issue for consultation;
  - make a full and final budget submission to the Mayor by Friday, 30 November 2018 with proposals that ensure their budget is within the funding envelope specified;
  - consider and respond to the publication of the Mayor's draft consolidated budget which is to be published in mid to late December 2018; and
  - engage with the Assembly as it considers the Mayor's statutory budget proposals until late February 2019.
- 1.3 A more detailed budget timetable is attached as Annex A.
- 1.4 In the light of progress against the current year's budget, emerging issues and significant developments, this Budget Guidance will need to be kept under review and the timetable may need to be revised. In addition, as the Government announces its funding settlements for parts of the GLA Group this guidance may also need to be revised.
- 1.5 The information sought from functional bodies in this Budget Guidance is requested in accordance with the provisions of sections 110 and 125 of the GLA Act 1999.
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## 2 Strategic policy aims and objectives

- 2.1 The budget development process is designed to ensure that the Mayor's budget proposals are an accurate reflection of the Mayor's priority aims and objectives within available resources. These balance the Mayor's manifesto commitments with his statutory responsibilities and priorities arising from regional, national and international events.

## 3 Budget proposals

- 3.1 The key deadlines for the GLA and its functional bodies are:

- ♦ Generally, within 25 working days of each quarter end, to supply a quarterly budget monitoring report and that generally within 10 additional working days thereafter to make the monitoring report publicly available;

and

- ♦ By Friday, 30 November 2018 in the light of preliminary draft budget proposals issued by the Mayor to make a full budget submission as specified below and at Annexes C and D. This budget submission is to include a new requirement to prepare a Capital Strategy.

- 3.2 The Mayor requires that the GLA and its functional bodies provide timely and high-quality information in their quarterly monitoring reports. Accordingly, generally within 25 working days of each quarter end a quarterly budget monitoring report is to be supplied to the Mayor. Further, within 10 additional working days thereafter each member of the Group is to generally make that monitoring report publicly available. The deadlines for quarter 4 are extended to the delivery of each body's statutory accounts by 31 May, with the proviso that the Mayor's Office see an early draft as far in advance as possible. The content and format of the quarterly monitoring reports is to be determined by each member of the Group in consultation with the Mayor's Office, but will be expected to cover the issues specified in Annex B below.
- 3.3 The quarterly monitoring reports generally issued after 35 working days from the quarter end and the full budget submission due at the end of November will be public documents and must be put on functional bodies' websites. The quarterly monitoring reports are intended to be the information supplied to the Assembly's Budget Monitoring Sub-Committee for its regular meetings.
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- 3.4 High-level meetings between the Mayoral team and the GLA and each of its functional bodies to consider the quarterly monitoring reports have been or are being scheduled. These will include discussion of progress with identifying and realising efficiencies and savings as well as potential future variances from the budget. Regular officer meetings between the GLA and each functional body will be held to discuss the budget process and to advise of any subsequent developments and resolve any queries that might arise.
- 3.5 The final budget submission is expected to allow a financially balanced budget for 2019-20 to be set within the funding envelope specified. In addition, Annex D sets out details of the new requirement to prepare a Capital Strategy which will allow the Mayor to prepare his overall Capital Strategy for the GLA Group.

#### **4 Control totals**

- 4.1 The Mayor proposes that the GLA and its functional bodies should assume for planning purposes that their allocation of discretionary revenue income from the Mayor for 2019-20 and future years is as specified below.
- 4.2 Set out below are indicative control totals for the discretionary funding controlled by the Mayor for 2019-20 for the GLA and each of its functional bodies – this being retained business rates, council tax precept income and Group wide reserves and excludes Government grants paid for the specific purposes of the GLA or functional bodies such as Home Office police grants.
- 4.3 In accordance with the Government's previous indications, MOPAC's control total assumes that the Band D police precept increases by £12 (5.5%) in 2019-20 and then reverts to a 1.99% increase thereafter. The Mayor will determine the level of his police precept for 2019-20 following the Police Settlement which is assumed to be received in December 2018 in draft form and to be approved by Parliament in February 2019.
- 4.4 Transport for London's (TfL) control total includes £993 million of retained business rates relating to funding formerly paid as a capital investment grant, which the Mayor intends should be applied for capital purposes, as well as £6 million of council tax funding.
- 4.5 LFC funding assumes a 1.99% increase in the non-police precept in 2019-20 is fully passed to the Commissioner. This assumption will be reviewed during the budget process.
- 4.6 LLDC funding figures are for core activities and exclude any funding relating to capital financing costs.
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- 4.7 OPDC funding figures are for core activities and exclude any contingency provision held by the GLA. In view of OPDC's current early stage of development, their control totals will be kept under review as the budget process develops.

Discretionary Mayoral funding control totals (all 2019-20 / £millions)	Total
GLA: Mayor	130.900
GLA: Assembly	7.814
MOPAC	778.387
LFC	391.255
TfL	1,854.049
LLDC	20.476
OPDC	6.800

- 4.8 Set out below for planning purposes are aggregate control totals for discretionary Mayoral funding resources to 2020-23 for the GLA and each functional body:

- GLA: Mayor: £130.4 million for 2020-21 and £141.2 million for 2021-22 and 2022-23. The GLA numbers reflect the cost of GLA services only and not contributions to LLDC and OPDC. The GLA figures do not reflect those financial elements accounted for within the component budget that relate to the wider GLA Group budget (e.g. council tax and business rates transactions and the Business Rates Reserve and Mayoral Development Corporations Reserve). The increase in the GLA's control total in later years reflects the reduction in the use of balances;
- GLA: Assembly: £7.9 million for each of the three years from 2020-21 to 2022-23;
- MOPAC: £806.5 million in 2020-21; £835.6 million in 2021-22 and £865.8 million in 2022-23, assuming a 1.99% increase in the police precept from 2020-21 onwards;
- LFC: £396.1 million for 2020-21, £401.3 million for 2021-22 and £406.8 million for 2022-23, assuming a 1.99% increase in the non-police precept being passed to LFC from 2019-20 onwards;
- TfL: £1,871.0 million for 2020-21, £1,891.2 million for 2021-22 and £1,911.9 million for 2022-23;

- LLDC: £18.1 million for 2020-21, £16.1 million for 2021-22 and £16.0 million for 2022-23 (including agreed sums carried forward from previous years but excluding GLA funding for capital financing costs) (NB: Funding for E20 will be added if required to transfer capital funding to revenue); and
- OPDC: £6.8 million for each of the three years from 2020-21 to 2022-23 (excluding any contingency provision held by the GLA).

## 5 Final budget submission

5.1 The final budget submission to be submitted by 30 November must:

- ♦ For revenue expenditure, cover at least the period 2018-19 to 2022-23;
- ♦ Set out what is planned to be achieved in high-level terms over that period;
- ♦ Cover Annex C to this guidance, which provides further detail on the financial information to be provided; and
- ♦ Include submission of the Capital Strategy as described in Section 8 and Annex D of this document.

5.2 The above information and matters raised in the responses will be considered when the Mayor issues his budget proposals, which will be subject to wider consultation, on or around mid to late December 2018.

5.3 In the interests of efficiency and the need to consolidate into a group format and aid budget consultation, information must be presented in a similar format throughout the budget process. GLA officers will work with functional bodies to seek to minimise these burdens.

## 6 Financial planning guidelines

6.1 Subject to any further guidance issued later in the year, budget plans should be prepared on the assumptions as set out below for the GLA and its functional bodies. At this stage, no commitments are made about any additional resources that the Mayor may have available beyond the control totals set. The allocation of any additional resources may be determined and finalised when the Mayor issues his preliminary budget proposals in the Autumn or when he issues his Budget Consultation Document in December or, if appropriate, when he issues his final Draft Consolidated Budget in February.

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- 6.2 However, in the light of decisions that are to be made shortly on the Strategic Investment Fund, and later in the year on the Housing Infrastructure Fund, the GLA and its functional bodies will need to reflect any approved growth and commitments arising from these funds.
- 6.3 The GLA: Mayor's revenue submission should set out details of the GLA's core services, and not include the items that will be accounted for within the final GLA Group items budget i.e. the Business Rates Reserve; Mayoral Development Corporations Reserve; council tax and business rates transactions; and funding for the LLDC and OPDC.
- 6.4 The Mayor expects the GLA: Assembly budget to be constructed under the same discipline as that for the GLA: Mayor's budget. A separate letter has been sent to the Assembly setting out the Mayor's proposed arrangements for the preparation of their budget.

## **7 Review process**

- 7.1 The planning guidelines will be kept under review for any indication that Government funding already announced might change. Further guidance may be issued once updated information on the collection of retained business rates is available. Other supplementary guidance will be circulated if necessary during the budget process.

## **8 Capital Strategy**

- 8.1 CIPFA's Prudential Code includes the requirement for all members of the GLA Group to produce a Capital Strategy for 2019-20. The purpose of the GLA Group's Capital Strategy is to drive the Mayor's capital investment ambition, whilst ensuring the sustainable, long term delivery of services. The strategy will demonstrate that the GLA Group's capital expenditure and investment decisions are made in line with Mayoral priorities and properly take account of stewardship, value for money, prudence, sustainability and affordability, and give due regard to risk and reward.
- 8.2 The Mayor proposes that he set out the GLA Group-wide Capital Strategy as part of his 2019-20 Budget. For the avoidance of doubt, the GLA Group Capital Strategy will replace the GLA Group Capital Spending Plan that has been published in previous years at each stage of the Mayor's budget setting process. The elements of the GLA Group Capital Spending Plan that are required under section 122 of the GLA Act 1999 will continue to be included in the GLA Group Capital Strategy.
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- 8.3 All Members of the GLA Group are therefore requested to include their draft Capital Strategy in their budget submission, due at the end of November 2018, and specifically ensure that the requirements set out at Annex D are included. The draft Capital Strategies submitted will be incorporated into a Group-wide Capital Strategy to be considered as part of the budget process. Where necessary the Capital Strategy will be updated at the draft and final draft stages of the Mayor's Budget with a final version prepared and published before 28 February 2019. The final Capital Strategy will be sent to the Secretary of State (MHCLG) as part of meeting the requirements of the GLA Act 1999.
- 8.4 In specifying the following requirements, the Mayor has balanced the need for each member of the Group to produce their own Capital Strategy with the necessity to produce a coherent and consistent Group-wide Capital Strategy, whilst also seeking to minimise the additional workload involved. Accordingly, the requirements specified at Annex D are the minimum needed. Members of the GLA Group can of course add more detail as they see fit but functional bodies are requested to ensure that they follow the prescribed format and complete the specified templates.
- 8.5 Although the Capital Strategy encompasses capital expenditure, capital financing and treasury management, it is proposed that certain detailed treasury management aspects, in particular the detailed investment strategy, will continue to be reported as part of each member of the Group's annual Treasury Management Strategy Statement (TMSS), rather than to be wholly included in the Mayor's Budget. However, the Capital Strategy will need to include the key principles and issues of each body's debt and investment management approach and will include key statutory requirements such as the forecast capital financing costs and the authorised limit and operational boundary for external debt. The Capital Strategy will need to be able to clearly reference relevant detail in the TMSS and vice versa, therefore the documents should be prepared in parallel. In line with best practice, the TMSS should be a 'living' document subject to in-year review and amendment, and therefore may be seen as a detailed supplement to the Capital Strategy.
- 8.6 The Mayor requires that each functional body set out a 20-year 'Capital Ambition', a 20-year Capital Investment Plan and a 20-year Capital Funding Plan. Further details on these are set out below and at Annex D. The 20-year Capital Ambition should be a statement setting out the capital needs for a minimum of 20 years. The 20-year Capital Investment Plan and 20-year Capital Funding Plan will set out the expenditure and funding plans underpinning the Capital Ambition. The first five years of the Funding and Capital Investment Plans should include the same level of detail as was included in the Mayor's 2018-19 Capital Spending Plan; thereafter, from 2023-24 onwards, the expenditure and funding should be grouped into five-year 'buckets'.
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- 8.7 The 20-year Capital Ambition should reflect the Mayor's policy priorities and the needs of the service. It is intended that this Capital Ambition will reflect, as appropriate, the Mayor's recently published long-term strategies and plans, for example, the Mayor's Transport Strategy. In addition, it should align with a new piece of work being commissioned by the GLA's Growth and Infrastructure team called 'Funding London's Growth', the aim of which is to develop a financial model specifying London's long-term strategic infrastructure needs (to 2050), their costs, the current funding gap, and options for filling the gap. In order to ensure that work on the Capital Strategy and Funding London's Growth is co-ordinated, where there is overlap, members of the Group will need to liaise with Matthew Daley in the GLA's Growth and Infrastructure Team (matthew.daley@london.gov.uk, 020 79834 979).
- 8.8 The Capital Ambition should be underpinned by the 20-year Capital Investment Plan, which will set out detailed plans for years 1 to 5 and then group expenditure into 5-year 'buckets' for years 6 to 20. In grouping expenditure from years 6 to 20 sufficient detail should be provided to allow for meaningful understanding and scrutiny of the plans set out.
- 8.9 It is expected that the 20-year Capital Funding Plan will result in the identification of a funding gap between years 6 to 20 of the funding plan and the expenditure plans set out in the Capital Investment Plan. However, the funding and expenditure set out for the first five years must be balanced.
- 8.10 A critical part of the Capital Strategy is to set out how the 20-Year Capital Investment Plan is reconciled with the 20-year Capital Funding Plan. In setting out their 20-year Capital Investment Plan, each member of the Group will need to explain how this 'gap' has been / is to be managed in an 'Ambition Gap' statement. In addition, a reconciliation needs to be made between the Capital Spending Plan agreed as part of the 2018-19 budget process and the new proposed detailed Capital Investment Plan 2018-23.
- 8.11 The GLA and functional bodies are expected to achieve an average of 50 per cent affordable housing on any new residential development sites brought to market or delivered directly, subject to service specific statutory responsibilities. In developing financial assumptions underpinning their disposal programme, the GLA and functional bodies should note that:
- the Mayor expects sites to be brought forward without delay and assessments against assumed capital receipts and percentages of affordable housing need to be made initially on an individual basis;
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- a 'portfolio' approach to meeting the 50 per cent target can be adopted (i.e. as long as the GLA or a functional body's disposal programme achieves 50 per cent affordable housing on relevant sites overall based on the required tenure split individual sites need not deliver this level of affordable housing, subject to each site delivering at least 35%) provided there is an agreement in place with the Mayor and landowner, with commitments to a programme of identified sites (NB: The additional affordable housing above 35% of habitable rooms to achieve 50% can be all intermediate tenure subject to meeting the Mayor's definition of intermediate affordable housing);
  - planning policy requires that their duty to deliver 'best consideration' will involve adherence to the Mayor's 50 per cent target for affordable housing; and
  - further details are set out in the Mayor's Affordable Housing and Viability Supplementary Planning Guidance and Draft London Plan.

8.12 As part of the development of the Group's Capital Strategy, the Mayor expects functional bodies to have an ongoing and active dialogue with him and his team over issues arising, particular concerning pressures on funding capital expenditure and possible mitigations, prior to their budget submission being made.

8.13 The new requirements to prepare a Capital Strategy are an important development and innovation to the way the Mayor wishes to make his investment decisions and the governance and scrutiny concerning them. This new process will bring additional rigour to capital decision-making and all members of the GLA Group are required to fully follow these new arrangements.

## **9 Reserves**

9.1 Reserves held by the GLA and its functional bodies should only be used for the purpose they have been established for. Budget submissions must be explicit about plans for the use of reserves. Any plans to add to reserves must be fully explained and justified. There will be a full review of the use of Reserves across the Group.

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## 10 Efficiencies

- 10.1 The Mayor requires that the GLA and functional bodies to be as efficient as possible to ensure best use of taxpayer's funds. The Mayor submitted an Efficiency Plan on behalf of the GLA and its functional bodies which has secured a commitment from the Government to maintain the existing funding levels assumed in this Budget Guidance. The Mayor's final agreed budget for 2019-20 will become the GLA Group's revised Efficiency Plan.

## 11 Equality, Diversity, Inclusion and Social Integration

- 11.1 Equality, Diversity, Inclusion and Social Integration are all high priorities for the Mayor. He published All of Us: his strategy for Social Integration (SI) in March 2018; and Inclusive London, his Equality, Diversity and Inclusion (EDI) strategy in May. These build on his manifesto commitments and A City for All Londoners. The strategies aim to help the GLA Group to deliver the Mayor's ambitions for achieving social integration and equality and fairness for Londoners.
- 11.2 The EDI strategy does this by setting out high-level cross-cutting strategic Equality, Diversity and Inclusion objectives for the GLA Group, informed by evidence gathered and cited in the strategy. It also cites examples of activity the GLA Group proposes to undertake to achieve its objectives. Over the coming months the GLA's Equality and Fairness Team will be liaising with relevant GLA teams and functional bodies to develop action plans to implement the objectives in the EDI strategy. Action taken and progress made against the EDI objectives will be reported in the Mayor's Annual Equality Report. It also enables the group to meet its public-sector equality duty under section 149 of the Equality Act 2010 and its obligations under section 33 of the GLA Act 1999, as amended.
- 11.3 The Social Integration strategy defines Social Integration as the extent to which people positively interact and connect with others who are different to themselves. It is determined by the level of equality between people, the nature of their relationships, and their degree of participation in the communities in which they live. The strategy sets out a range of new programmes and initiatives to promote Social Integration in London, including commitments that pertain to a range of GLA and GLA Group activities.
- 11.4 Budget proposals will need to ensure sufficient resourcing and budget necessary for the efficient and effective delivery of the EDI and SI strategies. In addition, all members of the GLA Group are encouraged to assess their wider budget proposals to consider how they can widen their activities to further address poverty, economic inequality and Social Integration in London, as well as addressing inequalities experienced by groups protected by equalities legislation.
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- 11.5 Accordingly, each Chief Finance Officer must ensure that he or she works closely with colleagues in their functional body who are working on activity to deliver the EDI and SI strategies and provide a summary of how budget allocations will support delivery of the objectives, programmes, and actions in these strategies. This content will then be reflected by the Mayor in his Budget Consultation Document which is due to be published in mid to late December.
- 11.6 If you have any queries about this area of the GLA's work, please contact Julia Slay, Assistant Director of Communities and Social Policy (ADCommunitiesandsocialpolicy@london.gov.uk).

## **12 Managing the budget process**

- 12.1 During the budget process the Mayor and his advisers will, whenever appropriate, use meetings with functional body members and chief officers to discuss the main strategic issues to be addressed in the Budget. There will be regular officer-level meetings throughout the budget development period, with specific meetings with the Mayor and/or his advisers as required.

## **13 Dialogue with budget consultees and contacts**

- 13.1 The statutory framework for consultation on the Mayor's Draft Consolidated Budget is restricted by the time available (mid-December to mid-January). To complement and prepare for this part of the budget process, the GLA will maintain a dialogue with, and provide information to, key stakeholders. In particular, a concerted effort will be made to engage a wider and more representative response from Londoners in the budget process through 'Talk London'.
- 13.2 The Mayor has a clear commitment to being London's most pro-business Mayor. The current pilot retention of 100 per cent of business rates growth in the capital, which commenced from April 2018, provides an opportunity for an even more active dialogue with businesses. The pilot is funding a new investment fund announced by the Mayor in February 2018. The fund will support projects from across the GLA Group that will grow and support resilience in the capital's economy such as business space, transport infrastructure and schemes to support delivery of the London Plan. This guidance does not cover the Assembly's Budget and Performance Committee's normal scrutiny process in relation to the functional bodies. The Budget and Performance Committee will be requesting information at key stages of the 2019-20 Budget process and there will be a requirement for members and officers of each functional body to attend Committee meetings as appropriate.
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- 13.3 The GLA and its functional bodies should each ensure that their budget submission is made as one cohesive document which covers all the points in this guidance and its annexes and that there are no omissions. Budget submissions should be presented in a format that readily allows public scrutiny. The Mayor expects the GLA and its functional bodies to fully comply with the requirements set out in this guidance.
- 13.4 Final budget submissions are to be sent to David Gallie, Assistant Director – Group Finance, by no later than 12 noon on Friday, 30 November 2018. Oversight bodies have the authority to require interim submissions and scenario analyses to ensure an orderly process leading up to the 30 November deadline.
- 13.5 The Mayor's final Budget proposals should be as up to date as possible and reflect latest information from the GLA and functional bodies. However, in order to prepare the Mayor's final budget proposals, the latest date that updated budget submissions from the GLA and functional bodies can be considered for inclusion in the Mayor's final budget is 31 January 2019.
- 13.6 Functional bodies must transparently present any changes to the Mayor's approved Budget which are made during the year, in particular for quarterly monitoring. Functional bodies should seek explicit approval for such changes where necessary. Where changes are made in year, a clear audit trail must be provided which reconciles the original Mayor's approved Budget with the latest Budget.
- 13.7 If any further information or clarification is required on this guidance then please contact: David Gallie, Assistant Director – Group Finance, on 020 7983 4968 or email: david.gallie@london.gov.uk.
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# Annex A

## Annex A Budget timetable

DATE	DESCRIPTION
29 June 2018	Mayor's Budget Guidance issued.
29 June – 30 November 2018	Budget preparation by the GLA and its functional bodies.
Late July – August 2018	Monitoring reports for 'quarter 1' to be supplied within 25 working days of quarter end. These quarterly monitoring reports to be generally publicly available after a further 10 working days.
Late October – November 2018	Monitoring reports for 'quarter 2' to be supplied within 25 working days of quarter end. These quarterly monitoring reports to be generally publicly available after a further 10 working days.
October / November 2018	Preliminary draft budget proposals prepared and issued for consultation with the GLA and its functional bodies.
30 November 2018	Responses received to draft budget proposals issued, including full and final budget submissions from the GLA and its functional bodies on all aspects of the 2019-20 Budget as specified in this guidance and at Annexes C and D.
Mid to late December 2018	Following the publication of the provisional Local Government, Fire and Police Settlements, issue the Mayor's Consultation Budget, including the Capital Strategy and borrowing limits. Statutory scrutiny of Mayor's budget proposals starts.
24 January 2019	Assembly to consider Draft Consolidated Budget.
Late January – February 2019	Monitoring reports for 'quarter 3' to be supplied within 25 working days of quarter end. These quarterly monitoring reports to be generally publicly available after a further 10 working days.
25 February 2019	Assembly to consider Final Draft Consolidated Budget.
28 February 2019	Statutory deadline by which the GLA precept must be approved and the Mayor's statutory Capital Spending Plan is published.

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## Annex B

### Annex B Quarterly monitoring reports

The format and content of quarterly monitoring reports is for the GLA and each functional body to determine. The Mayor expects the GLA and functional bodies to present both financial and non-financial information currently produced as follows:

With the exception of quarter 4, where deadlines for reporting will need to coincide with the publication of draft accounts by 30 May each year, quarterly monitoring reports are to be sent to David Gallie, Assistant Director – Group Finance no more than 25 working days after each 'quarter end'.

(NB: 'Quarter end' is to be defined by each member of the GLA Group as there are different financial periods used by different members of the Group. However, the financial period chosen should be the nearest to the calendar date for each quarter (i.e. 30 September, etc.).

Reports are to be made publicly available 35 working days after the 'quarter end'. However, this may present some clearance issues for certain members of the Group. In such circumstances and to ensure that the report has gone through an appropriate governance process, the 35 working days may be slightly delayed. However, the discipline of ensuring that a report is made to the Mayor within 25 working days of the 'quarter end' remains an absolute requirement. Further, the Mayor expects that where a functional body might have any clearance issues, these could be satisfactorily resolved with the relevant non-executives so that the 35-working day deadline would be generally met across the Group.

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# Annex C

## Annex C Financial information

*Required by 30 November 2018 from the GLA and its functional bodies*

### Service Analysis

1. The main financial element of the final budget submissions will be an analysis of budget proposals by service division / objective for the four years 2019-20 to 2022-23, with comparative figures for the approved 2018-19 Budget and forecast outturn for that year:

- ◆ Income to be raised and expenditure to be incurred in providing the complete range of services provided by the body;
- ◆ Capital financing costs (including capital expenditure charged to revenue);
- ◆ External interest receipts;
- ◆ All estimated income from general Government grants and specific Government grants paid solely for the purposes of that functional body issued by relevant Government departments (e.g. Home Office police grant);
- ◆ Transfers to and from earmarked and general reserves; and
- ◆ Any other financial charges and adjustments.

2. If the service division / objective analysis is revised from that used for 2018-19, then the figures for the previous year should be re-stated on a comparable basis.
3. The 2019-20 budget proposals must be supported by an analysis of changes from the equivalent budgeted figures for 2018-19, separately identifying changes due to:

- ◆ Inflation;
  - ◆ A narrative description of changes in service expenditure and income needs to be made;
  - ◆ Savings and efficiencies;
  - ◆ General and specific government grants and business rates; and
  - ◆ Use of reserves.
- (NB: TfL are specifically requested to additionally analyse changes in fares, charges and other income and to isolate the effects of inflation.)
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## Annex C

### Subjective analysis

4. A subjective analysis must also be submitted covering the four-year plan period 2019-20 to 2022-23, including a comparison with 2018-19 figures.

### Savings and efficiencies

5. The GLA and its functional bodies will be required to make savings and efficiencies to set a financially balanced budget for 2019-20 within the funding envelope and format specified in this Guidance.
6. The impact of savings and efficiency proposals for 2019-20 needs to be set out so that the Mayor's duties to consult on his budget can be discharged. Accordingly, the following information on savings is to be supplied by 30 November 2018:

- ♦ A description of the expected savings and efficiencies to be achieved in 2019-20 and later years. A sufficiently detailed description needs to be supplied so that the Mayor can fully understand the impact of the savings or efficiency proposal over the whole period; and
- ♦ Savings and efficiencies must be shown in the analysis on a cumulative basis (i.e. ongoing savings and efficiencies should be reflected in all years) but also savings and efficiencies should be shown on an incremental basis (i.e. the additional net new savings and efficiencies to be made in each year) to transparently show the scale of new savings and efficiencies.

### Reserves and general balances

7. To meet the requirement of the Local Government Act 2003 in respect of adequacy of reserves and demonstrate compliance with the guidance on local authority reserves and balances issued by CIPFA, the GLA and the functional bodies must provide:

- ♦ A statement of policy on reserves and contingencies. Reserves held by the GLA and its functional bodies should only be used for the purpose they have been established for. Proposed allowances for contingencies should be separately identified and justified;
  - ♦ Details of all reserves and general balances. Capex reserves should be distinguished from those held for service specific purposes. Budget submissions must be explicit about plans for the use of reserves;
  - ♦ An analysis and explanation of the expected movements in reserves between the start and end of each year from 1 April 2018 to 31 March 2023;
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## Annex C

- ♦ In the case of earmarked reserves held for purposes beyond 31 March 2020, an indication must be given as to when they are to be applied;
- ♦ Although it may not be definitive when reserves will be committed, best estimates should be made of the likely level of commitment so that reserves are not inadvertently over-stated; and
- ♦ There will be a full review of the use of reserves across the Group as part of the budget process.

### **Inflation factors**

8. There is no specific guidance for pay and inflation rates to be used but all members of the Group will need to take account of the Government's public sector pay limits and any nationally or locally agreed pay deals. However, the GLA and its functional bodies must be able to explain their inflation assumptions (for both pay and non-pay costs) and all figures must be at outturn prices.

### **Robustness of estimates and adequacy of reserves**

9. To help the GLA meet the statutory requirements of the Local Government Act 2003, functional bodies must provide a report by their Chief Finance Officer on the robustness of the proposed budget estimates and the adequacy of the proposed financial reserves.

### **Equality, Diversity, Inclusion and Social Integration**

10. The GLA and its functional bodies need to ensure that the detailed guidance at paragraph 11 of the Budget Guidance on Equality, Diversity, Inclusion, and Social Integration is fully complied with.
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## Annex D

### Annex D Capital Strategy

1. All members of the GLA Group are requested to prepare a draft Capital Strategy with the following headings and the information described.
  2. **Intention:** An introductory statement of the intended outcomes of the Capital Strategy.
  3. **Benefits:** A statement of the benefits of preparing a Capital Strategy.
  4. **Approach:** A statement of each body's approach to preparing a Capital Strategy.
  5. **Influences:** A statement on the main influences on the Capital Strategy. This should include consideration of internal and external influences.
  6. **Policies:** A statement on how the Capital Strategy is aligned to the Mayor's policies. This should include the inter-relationship with each body's Investment Strategy and any commercialisation initiatives. (NB: Each member's Treasury Management Strategy Statement, which will incorporate its Investment Strategy, will be a separate document from the Capital Strategy).
  7. **20 Year Capital Ambition:** A statement setting out the capital needs for a minimum of 20 years. This section should be a high-level summary of the capital investment ambition of the functional body, aligned to corporate priorities. Functional bodies should include some commentary on priority capital programmes included in their Capital Ambition and include details of how the ambition links to Mayoral priorities. Due consideration should be given to outlining the social value added through the ambition and also to detailing key risks and rewards associated with it. A high-level action plan should be included detailing how the ambition is intended to be achieved; for later years of the ambition this may take the form of a set of intentions or options to be explored.
  8. **20-Year Capital Investment Plan:** Complete the attached templates which set out the 20-year Capital Investment Plan underpinning the 20-year Capital Ambition. It is recognised that some plans included in the statement of Capital Ambition may not be of sufficient certainty to include in the 20-year Capital Investment Plan. Where programmes mentioned in the Capital Ambition are not included in the Investment Plan, this must be identified and explained in the commentary accompanying the Investment Plan.
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## Annex D

9. The first template (1a) sets out the planned expenditure for each of the first five years (2018-19 forecast outturn to 2022-23) and also the capital financing costs for these five years. The second template (1b) sets out the expenditure in five-year 'buckets'. Table 1a should include the same level of detail as was included in the Mayor's 2018-19 Capital Spending Plan. Table 1b should group expenditure into summarised headings; these headings must be of sufficient detail to allow for meaningful understanding and scrutiny of the plans set out. The GLA: Mayor and functional Bodies should include a brief description of the expenditure summarised under the headings in the template. Suggested examples of the level of summation to be applied are set out in the templates. Template 1a must reconcile to the first five years of the funding plan (table 2a) but template 1b setting out expenditure plans for years 6 to 20 is not expected to sum to the total for years 6 to 20 of the funding plan (table 2b).
10. Template 1a setting out the first five years of expenditure is to be the approved Capital Spending Plan and must be accompanied by details on:
- Schemes removed;
  - Projects re-profiled; and
  - New schemes added

from the previously agreed Capital Spending Plan set as part of the 2018-19 Mayor's Capital Spending Plan.

11. **20-year Capital Funding:** Complete the attached templates which set out the capital funding for the next 20 years. The first template (2a) sets out the funding plan for each of the first five years. The second template (2b) sets out the funding in five-year 'buckets'. As with the Investment Plan, table 2a should include the same level of detail as was included in the Mayor's 2018-19 Capital Spending Plan. Table 2b should group funding into summarised headings and these heading must be of sufficient detail to allow for meaningful understanding and scrutiny of the plans set out.
12. The GLA: Mayor and functional bodies should include commentary on the funding sources identified and details of the risks and levels of certainty associated with them. As set out above, it is virtually certain that there will be a funding gap between the funding identified in years 6 to 20 of the funding plan (table 2b) and years 6 to 20 (table 1b) of the 20-year Capital Investment Plan. How this gap is to be managed needs to be explained in the 'Ambition Gap' statement.
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## Annex D

13. **Ambition Gap:** A statement on how the gap between years 6 to 20 of the Capital Investment Plan and years 6 to 20 of the Capital Funding Plan may be closed. This may, for example, include details such as plans for lobbying or calls on funding from the Government.
  14. **Risk:** The 20-year Capital Investment Plan should include a statement on the related risks in the plan and how they are to be managed, together with a summary of the resources and support available to the functional body in developing its Capital Strategy.
  15. **Appraisal:** A statement on how proposals have been developed, appraised and monitored by the governance process.
  16. **Chief Finance Officer sign off:** A statement from the Chief Finance Officer explicitly reporting on the affordability and risk associated with the delivery of the Capital Strategy.
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# Annex E

## Annex E Templates

All sections in green should be completed  
 All numbers should be £million, to one decimal place.

Capital Investment Plan - Years 1 to 5  
 Table 1a

*This column should be left blank*

**Expenditure item**

*Functional bodies should give a brief description of the expenditure item in the rows below. A sensible approach should be taken to grouping smaller expenditure items under appropriate headings. The headings used in the Mayor's 2018-19 Capital Spending Plan can be used for guidance. These are copied in the final worksheet for reference. <https://www.london.gov.uk/sites/default/files/2018-19mayorscapitalspendingplan.pdf>*

*Further rows can be added if required.*

**Any further notes**

*Completion of this column is optional.*

**EXAMPLE:**

*Northern Line Extension*

**EXAMPLE:**

*Expenditure on this project is fully committed*

0	1	1	2	3	4	5
2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
Outturn	Revised Budget	Forecast Outturn	Plan	Plan	Plan	Plan

<b>Total</b>	0.0	0.0	0.0	0.0	0.0	0.0

# Annex E

## Capital financing costs - Years 1 to 5

		2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
		Outturn	Revised Budget	Forecast	Plan	Plan	Plan	Plan
		£m	£m	Outturn	£m	£m	£m	£m
<i>This column should be left blank</i>	<i>This column should be left blank</i>	<b>Capital financing expenditure item</b>						
		Provision for repayment of debt						
		External interest						
		0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Capital Investment Plan - Years 6 to 20

Table 1b

		6 to 10	11 to 15	16 to 20
		2023-24 to	2028-29 to	2033-34 to
		2027-28	2032-33	2037-38
		Plan	Plan	Plan
<i>This column should be left blank</i>	<b>Expenditure heading</b>	<b>Description of expenditure summarised and further notes</b>		
	<i>Functional bodies should use an appropriate level of summarisation for the headings included below. A sensible approach should be taken to ensure that the headings will allow for meaningful understanding and scrutiny of the plans set out.</i>	<i>Functional bodies should provide a brief summary of the areas of expenditure summarised under the headings.</i>		
	<i>Further rows can be added if required.</i>	<i>Any further details that the Functional Body wished to include can also be set out here.</i>		
	<b>EXAMPLES:</b>	<b>EXAMPLE:</b>		
	Housing	Includes the Mayor's affordable housing programme, Housing Zones and the London Housing Bank.		
	Regeneration	Expenditure plans are uncertain and dependent on the funding settlement from Government		
	Environment			
	London Underground			
	Buses			
	Streets			
	Crossrail			
		0.0	0.0	0.0

# Annex E

### Capital Funding Plan - Years 1 to 5

**Table 2a**

	0	0	1	2	3	4	5
	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Outturn	Revised Budget	Forecast Outturn	Plan	Plan	Plan	Plan
<i>Funding Type</i> <i>Functional bodies should choose the funding type from the dropdown list.</i>	<i>Functional bodies should give a brief description of the funding item in the rows below.</i>						
<i>If 'other' is chosen please provide some details in the Any Further Notes column.</i>	<i>Completion of this column is optional unless 'Other' has been chosen as the funding type in column A.</i>						
<i>Further rows can be added if required.</i>	<i>The description does not need to indicate the capital project that will be funded from the funding item listed.</i>						

EXAMPLE:  
Capital Grants

EXAMPLE:  
Affordable housing grant

EXAMPLE:  
Full amount has been confirmed by Govt. but profile of tranches yet to be finalised.

Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
Choose from dropdown list	...						
...	...						
<b>Total</b>		0.0	0.0	0.0	0.0	0.0	0.0

### 10 Year Capital Funding Plan - Years 6 to 20

**Table 2b**

	6 to 10	11 to 15	16 to 20
	2023-24 to	2028-29 to	2033-34 to
	2027-28	2032-33	2037-38
	Plan	Plan	Plan
<i>Funding Type</i> <i>Functional bodies should choose the funding type from the dropdown list.</i>	<i>Completion of this column is optional unless 'Other' has been chosen as the funding type in column A.</i>		
<i>If 'other' is chosen please provide some details in the Any Further Notes column.</i>	<i>Functional bodies can give a brief description of the funding item in the rows below.</i>		
<i>Further rows can be added if required.</i>	<i>The description does not need to indicate the capital project that will be funded from the funding item listed.</i>		

EXAMPLE:  
Capital Grants

EXAMPLE:  
Affordable housing grant

EXAMPLE:  
The amount of this funding source is uncertain and is based on the assumption of a similar level of settlement from Government to that received in previous years

Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
Choose from dropdown list	...		
...	...		
<b>Total</b>		0.0	0.0

# Annex E

## Statutory Capital Spending Plan

All section in green should be completed

All numbers should be £million, to one decimal place.

Section	Line Ref		2019-20
A	A1	Total external capital grants anticipated to be received during the year	
	A2	Opening balance of capital receipts	
	A3	Total capital receipts during the year	
	A4	<b>Total capital grants/ receipts</b>	<b>0.0</b>
B	B1	Minimum s.120(1) grant	
	B2	Total borrowings undertaken during the year	
	B3	Total amount to be treated as borrowing in the year because of section 8(2) of the Local Government Act 2003 (under which entry into, or variation of, a credit arrangement is treated as a form of borrowing)	
	B4	<b>Total borrowings and credit arrangements</b>	<b>0.0</b>
C	C1	Total capital expenditure anticipated during the year	
	C2	Total of the amounts to be treated as borrowing in the year because of section 8(2) of the Local Government Act 2003	
	C3	<b>Total capital spending for the year</b>	<b>0.0</b>
D	D1	Funding: capital grants used to fund capital spending for the year	
	D2	Funding: capital receipts/reserves used to fund capital spending for the year	
	D3	Funding: borrowings and credit arrangements used to fund capital spending for the year	
	D4	Funding: revenue contributions used to fund capital spending for the year	
	D5	<b>Total funding</b>	<b>0.0</b>

### Completion Notes

Forecast capital grants cash received during 2019-20, not the capital grants that are forecast to be applied against capital expenditure in year.

As at 1 April 2019

Forecast capital receipts cash received during 2019-20, not the capital receipts that are forecast to be applied against capital expenditure in year.

Further details can be found here:

<https://www.legislation.gov.uk/ukpga/1999/29/section/120>. This may be applicable to the GLA: Mayor but is unlikely to apply to the other functional bodies.

Forecast total borrowing to be undertaken during the year, not the forecast borrowing to be applied against capital expenditure in year.

This is not likely to be applicable but must statutorily be included in the Capital Spending Plan. Further details can be found here:

<https://www.legislation.gov.uk/ukpga/2003/26/section/8>

This should be exactly equal to the 2019-20 total expenditure figure in the 10 Year Capital Investment Plan.

This is not likely to be applicable but must statutorily be included in the Capital Spending Plan. Further details can be found here:

<https://www.legislation.gov.uk/ukpga/2003/26/section/8>

The amount of capital grant applied against capital expenditure in year. This may differ from the figure in Line Ref A1 which is forecast capital grants cash received.

The amount of capital receipts applied against capital expenditure in year. This may differ from the figure in Line Ref A3 which is forecast capital receipts cash received.

The amount of borrowing / credit arrangements applied against capital expenditure in year. This may differ from the figure in Line Ref B2 and B3 which are forecast borrowing / credit arrangements undertaken.

The amount of revenue account contribution applied against capital expenditure in year.

This should be exactly equal to the 2019-20 total funding figure in the 10 Year Capital Funding Plan.



# Annex E

## 2018-19 Capital Spending Plans

These are the capital spending plans against which the reconciliation of movements must be completed

All numbers are £million

MOPAC capital expenditure plan	2017-18	2018-19	2019-20	2020-21	2021-22
	Forecast				
	Outturn £m	Budget £m	Plan £m	Plan £m	Plan £m
Property Forward Works	14.2	8.8	9.8	7.5	10.0
IT core infrastructure and replacement	40.4	31.6	27.7	25.7	25.7
Fleet	24.3	38.7	26.3	22.0	23.3
National Counter Terrorism Policing Headquarters	24.2	33.7	25.8	21.0	25.0
Improving Public Access and first contact	1.3	0.0	0.0	0.0	0.0
Optimising Response	13.5	12.4	18.1	33.4	10.5
Strengthening Local Policing	2.0	2.0	1.0	0.3	0.0
Transforming Investigation and Prosecution	30.2	45.1	41.8	40.0	0.0
Strengthening Armed Policing	2.5	2.8	2.5	0.0	0.0
Smarter Working	46.7	20.5	3.6	1.2	0.0
Workforce Futures	0.0	0.0	1.0	1.0	1.0
Information Futures	0.0	5.0	0.0	0.0	0.0
Transforming the MPS Estate	48.1	489.2	242.2	110.3	26.1
<b>Subtotal</b>	<b>247.4</b>	<b>689.8</b>	<b>399.8</b>	<b>262.4</b>	<b>121.6</b>
Over-programming/headroom	-16.4	-19.0	8.2	8.2	19.0
<b>Total Programme Cost</b>	<b>231.0</b>	<b>670.8</b>	<b>408.0</b>	<b>270.6</b>	<b>140.6</b>
<b>Funding</b>					
Capital Receipts	178.9	374.7	101.5	66.3	102.5
Capital grants and other contributions	51.1	56.3	47.4	41.1	37.2
Borrowing	0.0	179.4	259.1	163.2	0.9
Revenue Contributions	1.0	60.4	0.0	0.0	0.0
<b>Total funding gross of over-programming</b>	<b>231.0</b>	<b>670.8</b>	<b>408.0</b>	<b>270.6</b>	<b>140.6</b>

# Annex E

## LFC capital expenditure plan

	2017-18 Forecast Outturn £m	2018-19 Budget £m	2019-20 Plan £m	2020-21 Plan £m	2021-22 Plan £m
<b>Expenditure</b>					
IT projects	1.4	3.5	0.5	2.4	2.0
Refurbishment of fire stations	1.6	0.4	2.2	2.1	6.3
New/Replacement fire stations	0.0	1.5	4.4	0.1	0.0
Other property projects	1.2	12.9	11.0	1.8	1.2
Sustainability projects	3.3	2.4	2.4	2.4	1.2
Minor improvements programme	1.1	1.3	1.3	1.3	1.3
Fire Brigade fleet re-procurement	16.1	19.7	19.4	12.4	9.4
Over programming	-6.7	0.0	0.0	0.0	0.0
<b>Total expenditure</b>	<b>18.0</b>	<b>41.7</b>	<b>41.2</b>	<b>22.5</b>	<b>21.4</b>
<b>Funding</b>					
Capital receipts	17.6	34.3	20.8	0.0	0.0
Retained business rates	0.0	5.9	5.9	0.0	0.0
Borrowing and PFI leases	0.0	1.5	14.5	22.5	21.4
Capital grants	0.4	0.0	0.0	0.0	0.0
<b>Total funding</b>	<b>18.0</b>	<b>41.7</b>	<b>41.2</b>	<b>22.5</b>	<b>21.4</b>



## Annex E

TfL Capital expenditure plan	2017-18	2018-19	2019-20	2020-21	2021-22
	Forecast				
	Outturn £m	Budget £m	Plan £m	Plan £m	Plan £m
London Underground	1,098.4	1,075.0	1,104.7	1,029.0	1,042.2
Elizabeth line	464.9	317.5	80.9	5.2	0.0
Buses	49.2	76.0	59.8	44.6	52.0
Streets	207.6	153.9	364.1	328.8	395.7
Rail	97.9	110.2	120.7	128.0	71.3
Other operations	124.8	173.0	104.7	210.6	173.9
Commercial Development	99.1	101.9	141.3	114.0	127.3
Crossrail construction	1,402.5	459.9	65.1	0.0	0.0
<b>Total capital expenditure</b>	<b>3,544.4</b>	<b>2,467.4</b>	<b>2,041.3</b>	<b>1,860.2</b>	<b>1,862.4</b>
Capital receipts/property sales	88.8	874.6	161.5	7.7	139.9
Retained business rates (former DfT investment grant)	960.0	976.0	993.0	1,010.0	1,030.2
Grants to support capital expenditure	210.6	212.6	216.4	13.1	12.3
Borrowing	621.1	800.7	499.9	600.9	501.2
Crossrail funding sources	208.1	312.2	53.2	144.0	41.8
Revenue contributions	-190.0	-463.6	-265.2	267.4	731.1
Working capital and reserves movements	1,645.8	-244.9	382.5	-183.0	-594.1
<b>Total funding</b>	<b>3,544.4</b>	<b>2,467.6</b>	<b>2,041.3</b>	<b>1,860.1</b>	<b>1,862.4</b>

Rail - capital expenditure plan	2017-18	2018-19	2019-20	2020-21	2021-22
	Forecast				
	Outturn £m	Budget £m	Plan £m	Plan £m	Plan £m
DLR rolling stock	5.9	12.1	49.0	56.8	39.2
London Overground	49.5	38.3	18.1	9.4	5.6
Trams	14.5	25.0	11.0	6.5	4.3
Barking Riverside extension	0.0	7.5	24.0	33.2	0.0
Other Rail	28.0	27.3	18.5	22.1	22.2
<b>Total expenditure</b>	<b>97.9</b>	<b>110.2</b>	<b>120.6</b>	<b>128.0</b>	<b>71.3</b>

London Underground – capital expenditure plan	2017-18	2018-19	2019-20	2020-21	2021-22
	Forecast				
	Outturn £m	Budget £m	Plan £m	Plan £m	Plan £m
Four Lines Modernisation	347.0	372.2	233.8	186.5	154.4
Deep Tube upgrade programme	17.8	87.7	117.2	178.4	320.5
Northern line Extension	197.4	202.4	252.8	130.6	9.5
Major station upgrades	163.5	110.8	87.0	74.6	31.8
Future major stations	15.0	9.5	14.2	41.8	65.7
World Class Capacity	29.3	16.6	23.9	27.1	24.5
LU Other	49.0	16.8	48.6	86.1	88.7
LU renewals	279.4	259.0	327.2	304.0	347.1
<b>Total expenditure</b>	<b>1,098.4</b>	<b>1,075.0</b>	<b>1,104.7</b>	<b>1,029.1</b>	<b>1,042.2</b>

## Annex E

### Surface – capital expenditure plan

	2017-18	2018-19	2019-20	2020-21	2021-22
	Forecast				
	Outturn	Budget	Plan	Plan	Plan
	£m	£m	£m	£m	£m
Buses	49.2	76.0	59.8	44.6	52.0
Streets	207.6	153.9	364.1	328.8	395.7
Other Surface	58.9	84.6	38.3	85.8	38.4
<b>Total expenditure</b>	<b>315.7</b>	<b>314.5</b>	<b>462.2</b>	<b>459.2</b>	<b>486.1</b>

### TfL Corporate Directorates – capital expenditure plan

	2017-18	2018-19	2019-20	2020-21	2021-22
	Forecast				
	Outturn	Budget	Plan	Plan	Plan
	£m	£m	£m	£m	£m
Customer Experience	64.1	54.8	45.3	41.3	30.6
Commercial Development projects	99.1	101.9	141.3	114.0	127.3
Other Corporate investment	1.8	33.6	20.9	83.5	104.9
Corporate expenditure excluding Crossrail	165.0	190.3	207.5	238.8	262.8
Crossrail construction	1,402.5	459.9	65.1	0.0	0.0
Elizabeth line rolling stock & depots	464.9	317.5	80.9	5.2	0.0
<b>Corporate expenditure including Crossrail</b>	<b>2,032.4</b>	<b>967.7</b>	<b>353.5</b>	<b>244.0</b>	<b>262.8</b>

### LLDC capital expenditure plan

	2017-18	2018-19	2019-20	2020-21	2021-22
	Forecast				
	Outturn	Budget	Plan	Plan	Plan
	£m	£m	£m	£m	£m
<b>Expenditure</b>					
Park Operations and Venues	31.8	30.3	27.4	30.0	31.3
Real Estate and Development	41.7	35.1	19.1	25.4	8.6
Regeneration	1.5	0.2	0.2	0.2	0.2
Cultural and Educational District (CED)	14.2	24.9	42.4	112.1	142.9
Corporate	1.4	1.6	1.5	1.1	1.1
Irrecoverable VAT & contingency	5.8	6.1	1.0	1.3	0.9
<b>Total expenditure</b>	<b>96.4</b>	<b>98.2</b>	<b>91.6</b>	<b>170.1</b>	<b>185.0</b>
<b>Funding</b>					
Borrowing	49.4	43.1	27.3	54.3	0.0
Funded by GLA: Provision for repayment of debt / other grant payments	0.0	0.0	0.0	4.0	65.3
Capital receipts: CED	0.4	53.9	49.8	76.3	49.9
Capital receipts: Other	34.0	0.5	14.0	35.0	69.3
Other grants and funding	12.6	0.8	0.5	0.5	0.5
<b>Total funding</b>	<b>96.4</b>	<b>98.3</b>	<b>91.6</b>	<b>170.1</b>	<b>185.0</b>

# Annex E

GLA capital expenditure plan	2017-18	2018-19	2019-20	2020-21	2021-22
	Forecast				
	Outturn	Budget	Plan	Plan	Plan
	£m	£m	£m	£m	£m
London Regeneration Fund	7.0	7.9	0.0	0.0	0.0
Growing Places Fund	32.0	12.6	1.1	0.6	0.0
Further Education Capital Programme (Growth Deal 1 & 2)	10.1	48.9	22.4	8.5	0.0
Skills for Londoners Capital Fund (Growth Deal 3)	1.0	19.3	48.5	29.7	9.7
Good Growth Fund	0.0	12.4	25.9	23.6	0.0
Small Sites	0.0	2.4	4.1	5.2	0.0
Mayor's Regeneration Fund	3.9	4.2	1.5	0.0	0.0
Affordable Housing Programme (AHP)	562.6	221.8	413.0	749.6	1,240.6
Care and Support	9.3	24.0	16.6	6.1	0.0
Homelessness Change and Platform for Life	3.0	9.5	5.8	0.0	0.0
London Housing Bank	0.2	45.3	58.0	75.7	0.0
Housing Zones (Loans)	44.8	99.7	27.3	0.0	0.0
Housing Zones (AHP Grants)	59.1	78.9	105.7	95.9	0.0
Northern Line Extension	175.0	191.0	199.0	96.0	7.0
Loan to London Legacy Development Corporation	45.9	43.1	27.3	54.3	0.0
UCL Cultural & Education District (MHCLG)	0.0	0.0	15.0	55.0	30.0
LLDC General & CED Capital Funding	0.0	3.5	2.1	49.8	143.8
Barking Riverside – Joint Venture	0.0	6.8	22.7	15.1	0.0
LLDC Joint Venture transfer to GLAP	0.0	1.2	7.4	6.8	22.3
Other Projects < £10m	7.4	26.4	16.9	4.9	0.0
<b>Total expenditure</b>	<b>961.3</b>	<b>858.9</b>	<b>1,020.3</b>	<b>1,276.8</b>	<b>1,453.4</b>
Northern Line Extension -GLA Borrowing and Developers' Contributions	175.0	191.0	199.0	96.0	7.0
Care and Support/Homelessness (DH)	12.3	33.5	22.3	6.1	0.0
Affordable Housing (MHCLG)	621.7	302.3	520.8	845.8	1,240.6
Housing Zones Loans (MHCLG)	45.0	145.0	85.3	75.7	0.0
UCL Cultural & Education District (MHCLG)	0.0	0.0	15.0	55.0	30.0
Further Education Capital (BEIS)	10.1	48.9	22.4	8.5	0.0
Growth Deal Funding (BEIS)	40.1	59.5	79.6	59.1	9.7
Royal Docks - Enterprise Zone	0.4	0.4	0.0	0.0	0.0
LLDC - Temporary use of GLA cash balance	45.9	43.1	27.3	54.3	0.0
Capital Revenue Reserve	2.0	7.3	6.3	3.4	0.0
GLA Reserves	8.0	19.9	5.7	51.0	143.8
Financing of GLAP	0.8	8.0	36.6	21.9	22.3
<b>Total funding</b>	<b>961.3</b>	<b>858.9</b>	<b>1,020.3</b>	<b>1,276.8</b>	<b>1,453.4</b>