

Report to the Assembly on the Mayor's Draft Consolidated Budget for 2011 – 2012

Report to: London Assembly

Date: 10 February 2011

Report of: The London Assembly Labour Group

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PART A: INTRODUCTION & COMMENTARY¹

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

**Labour Group Alternative
Greater London Authority Budget**

2011 – 2012

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Introduction

The Greater London Authority is the strategic authority for London. Its decisions, leadership, and priorities will help to determine the future prosperity of our City. And the priorities and leadership of our Mayor, working in partnership with Government and driven by his priorities for our City, are key determinants of the success of London's economy and the prosperity and security of its citizens.

We note the GLA budget is substantially driven by Government funding, cuts to which we consider to be excessive and being implemented too fast, placing the UK economy at grave risk of a prolonged recession and a failure of future growth. This will undo the work of the previous Labour Government which led and oversaw the longest period of continuous economic growth in modern UK history and rescued the country from potential banking collapse and the incalculable consequences that would have brought the UK economy. The two key insights to understanding the Mayor's responsibilities to London in this spending climate are that public investments – in infrastructure, in skills, in building strong institutions and in the reduction of poverty and unlocking the potential of all of our communities – are a key part of the investment that achieved that growth, and that the London Mayor must make a strong case to Government to secure that investment.

Each year the Mayor has the opportunity through his budget to make clear to Londoners his vision for, and to show leadership to, our City. We believe that the Mayor, as shown through this budget, is making the wrong choices, is failing in his leadership and that London is heading in the wrong direction. In his laissez-faire approach he massively underestimates the need for leadership. And he has failed to stand up for London against the cuts being made by Government - indeed he is one of their greatest cheerleaders.

Making the correct decisions at the GLA, as the strategic authority for London, is fundamental to maintaining the strength of London's economy. To add to the challenge, while our City faces challenges to secure growth, City Hall itself is going through change. The collapse in funding for job creation and regeneration at a time of economic challenge is an act of political vandalism. The scaling back of investment in London's transport and failure to plan for the future is similarly jeopardising our ability to manage and nurture growth. And the cuts in police budgets, and reductions in police numbers, risk a reduction in the sense of safety, and an increase in the fear of crime, that are so fundamental to the prosperity and safety of our City. On each of these matters the Mayor has failed to properly stand up for London and show leadership.

The impact of the Cuts

We note that the impact of the cuts on London's services will be severe and that, in particular, the severest cuts have been imposed on the poorest communities. As far as City Hall is concerned, the savings, when added to those imposed last year, mean that Londoners are substantially worse off under Boris Johnson and will mean a real reduction in the capacity of City Hall to serve Londoners. Our position is that:

- We understand in particular the hardship being experienced by Londoners, and the very real threat of a 'double-dip' recession precipitated by spending cuts and consequential loss to the economy and to Londoners quality of life. We believe the role of our Mayor is to speak up for London. While we note he has lobbied on some matters, his position has been essentially to stand up for the Government rather than for the people who elected him. A Mayor who understood London's needs would lobby Government on the impact of the cuts and other tax rises on the London economy, and would understand not just their risk to Londoners but to the wider UK economy.
- We support the freeze in Council Tax precept. However, this is happening in parallel with substantial above-inflation fare increases which, together with rises in other taxes, means most Londoners will be far worse off. We note that the additional grant awarded for the freeze offsets only a small proportion of the overall cuts we face. It is less the

case that its award is a reward than that the threat of its non-payment is a threat of further punishment for Londoners.

- Other than in his first year, when he inherited Labour's last budget, each year under Boris Johnson has seen a reduction in full-time officer numbers. We note that this year the slide quickens, accelerated by a recruitment freeze, and that there will be a reduction in the number of full-time police officers of about 600, plus a reduction in PCSO numbers. Together with other cuts in the Metropolitan Police Service, this is a dramatic loss in capacity and risks a loss in public confidence, with many years progress in reversing levels of recorded crime and the fear of crime placed under threat. This problem is exacerbated by a growing lack of transparency under the MPA's current Chairman which has made our scrutiny of the budget proposals difficult, as for example exemplified by the ambiguity of his position on neighbourhood policing, which the Mayor both claims to support and is currently proposing to cut. This does not auger well for the accountability of policing under the new arrangements, and the willingness of the Mayor to be held to account for his decisions. The Mayor should be lobbying the Government vigorously about this threat to Londoner's safety.
- While we support the abolition of the London's RDA, the London Development Agency, and the vesting of its powers in City Hall (indeed, this was first proposed by a Labour Government), this is meaningless without the resources to do its job. The catastrophic cut in its grant funding, combined with the Government's centralisation of skills funding, compounds the risks to London's economy at a time when public intervention is required. Whilst we note that the Mayor is engaged in a frantic rearguard action to secure some funding, his ambitions are inadequate and the crisis would not have happened if he had not failed to make London's case. This highlights a fundamental difference between the Labour position and that of the Mayor and his coalition Government – a time of economic stress is precisely the wrong time to cut investment in Londoners skills and in preparing London's businesses for the future. The Mayor and the coalition, on the other hand, see such investment as an essentially unnecessary overhead. Londoners need leadership from their Mayor on skills and employment, on tackling unemployment, particularly youth unemployment, such as through training and apprenticeships, and are not receiving it. Finally, we remain concerned that an increased proportion of residual LDA funding will be devoted to the Mayor's vanity projects and not to the basic needs of Londoners.
- While there are no catastrophic cuts to the Fire & Rescue Services in the current year, we note that the continuing budgetary pressure resulting from the CSR means far greater cuts will be needed in years 2013/14 and 2014/15. Under the Coalition Government spending plans, massive savings to the tune of £78m will be required for these last two years. There is no clear indication of how LFEPA is planning to avoid a potential crisis with its budget over the next few years and how it will maintain efficient and quality services to Londoners as set out in the Authority's London Safety Plan. What is certain is that ill-thought out proposals by the Chairman of the Authority to cut 27 fire engines without any form of risk assessment or consultation is unwelcome.

Londoners need clarity and assurance on the level of services they will receive. We call for a public debate so that people can see what the far-reaching effects of any planned cuts will mean for their frontline services. It will be a betrayal of his duty to Londoners if the Mayor chooses to silence this debate until the Mayoral elections are over in the hope that his lack of leadership on these issues is not exposed.

- Transport budget cuts are being funded by a combination of high fare rises and a retreat from ambition in investment and growth in London's transport network. While services are being maintained this year, the fall in bus subsidy while cost pressures rise risks service cuts in future years. And the post-PPP tube service appears to lurch from one breakdown to the next. As regards investment, and while we welcome Crossrail,

albeit delayed, and the tube upgrades programme, even though this has been scaled back, we note that no new transport projects of significance have been announced under the Mayor – merely a retreat from previous ambition. Indeed, there has been no significant transport investment proposal under the current Mayor – merely the programme inherited from his predecessor minus the cuts to it he eagerly made on his election in 2008. We note also that the closure of the Western Extension of the Congestion zone, while doubtless welcome in some circles, has led to a loss of TfL's income equivalent to a 2% fare rise for all Londoners – it is important that the Mayor is reminded, and Londoners are aware, of the consequences of his decisions. Investment in and growth to our transport system is vital for London's future and we note that a wide range of stakeholders take this view. We want to resume the debate on how to achieve a transport system fit for London, and to highlight the failures of ambition, and leadership, under Boris Johnson.

- While there have been efficiency savings in City Hall the number of higher-paid staff supporting the Mayor has increased substantially in the past year. This represents a predictable double-standard by those who preach efficiency but do not practice it when they are personally involved. It highlights the detachment of the administration at City Hall from the lives of most Londoners.
- The budget statement is deficient in addressing a range of other issues, including sustainability, on which it is largely silent and gives little sense of priority, and equality. As an example of the latter, if one looks at the impact of the Mayor's decisions on women, for example with the affordable childcare programme, which is cut, or on domestic violence, where priority is slipping, we can see a Mayoralty which claims to address concerns but which in detail does not.
- City Hall is, in addition, receiving new powers during the next 12 months. The budget proposals in front of us do not contain a strategic view in anticipation of this. As an example, the Mayor will assume major new powers over housing investment. He needs to be clearer about the priority this will need to have, including the need to lobby for the extra resources our city will need to meet existing demand and future growth, with good design and a focus on sustainability. The budget in front of us is largely silent on these challenges and how in the coming year we will prepare for and assume those duties.

The Greater London Authority under the Mayoralty is a powerful vehicle for change. In order to fulfil this potential it must be driven by a vision, and by ambition. Fundamentally, that is what this 'tail-end' budget, with its retreat on policing and its failure to understand the concerns and insecurity of many Londoners, and its failure to offer leadership to ensure a growing city maintains its place as a World City, lacks. The risk is not that we simply fail to meet new challenges but that, in as highly competitive world, we go backwards. His budget contains a fragmented and disjointed set of proposals that shows little understanding of the leadership our city needs.

Labour's Alternative Budget

We note that the budget settlement is not yet totally clear, as the Mayor awaits final decisions on a settlement for the LDA. We will of course welcome additional funding. This does however also mean that our draft alternative budget cannot be finalised until these matters are resolved.

Our alternative strategy contains the following principle elements:

- A further recruitment of police officers, to lessen the cut in numbers in the Mayor's budget.
- A partial reversal of the transport fares increase.
- Programmes and projects to reverse cuts in the LDA budgets

- A range of other initiatives to tackle priorities for Londoners.

They are spelt out in greater detail in the following pages. They are designed to mitigate the effects of the cuts but we recognise that the scale of savings dictated by Government policy cannot happen without real losses to Londoners. Only a change of direction for London, starting with a different Mayor, can secure change.

Core Greater London Authority - Mayor

Core Greater London Authority Mayor's Budget	£138,617,000
Nil change (but see below)	
Additional spending on London's priorities and needs	
Fund the final year of the Childcare Affordability Programme	£2,600,000
Create a Targeted Employment fund	£4,000,000
Expand the Re:New initiative, providing for a further 25,000 homes	£3,000,000
Reinstate the London Zoo & Wetlands Centre agreements	£600,000
Efficiencies and Savings	
Reduce contingency element of budget to	£0

The Majority of our proposals are to fund projects previously funded by the LDA. As the Mayor has stated, and as reported to the LDA Board in January this year, this creates massive uncertainties. Our proposals are designed to create vital interactions to help Londoners at this time of economic stress and instability. ***However, as the Mayor has not yet received a budget for the LDA, or made clear his proposals, this section is in a very draft form and will be reviewed once his intentions are clear.***

Childcare Affordability Programme

We would fund the final year of the recently aborted Childcare Affordability Programme, which has helped thousands of parents into work who otherwise would remain outside the workforce due to high childcare costs: Cost £2.6 million (this is based on the £8 million total cost of the CAP09 programme over a 3 year period), to be funded from the £10.2million contingency held in the Core GLA budget. The abrupt ending of the programme, announced in January 2011 means that little no or no alternative subsidised childcare is available to those currently taking part in the programme.

This would help keep many parents with children under 5 in work over the next year. The continuation of the programme during 2011/12 can also be justified on the basis of its broader economic value, but also its fairness, a vital theme that any Mayor should consider. As well as providing a valuable service for families, childcare workers release earnings potential by allowing parents to continue working. They also unlock social benefits in the shape of the learning opportunities that children gain outside the home. This is illustrated clearly by the New Economics Foundation's 'A Bit Rich' report, which found that for every £1 they are paid, childcare workers generate between £7 and £9.50 worth of benefits to society.

Targeted Employment Fund

Around 7% of London's working-age population are unemployed, compared to 6% in the rest of England. After beginning to rise again in 2008, the level of unemployment in London is back

to where it was in the late 1990s. Clearly, poverty in London has accelerated as a result of the economic downturn and, as such, we propose ring-fencing £4 million of the contingency reserved in the 2011/12 core budget for projects specifically aimed at mitigating downturn induced poverty in London through improving employment prospects and supporting and promoting economic growth. One of the components of the fund will be aimed at providing a public to private sector transition programme for those former public sector employees in London who lost their jobs as a result the Coalition Government's cuts to local government grants.

The unemployment rate among young adults in London is disproportionately high and higher than at any time in the previous 17 years. One in three of London's unemployed population are aged under 25. While the government continues to provide programmes aimed at 16-24 year old 'NEETs' (Not in Employment Education or Training), the brokerage schemes being financed do not meet the needs of those hardest to reach; particularly the Black and Minority Ethnic Community, which has an unemployment of almost 50% amongst 16-24 year olds. As such, £1.5 million of the £4 million Targeted Employment Fund budget will be provided in the form of a grant to the London Voluntary Service Council to finance a team with the remit of liaising with the 32 boroughs, providing them with borough-by-borough skills and employment training opportunities provided by the voluntary sector.

RE:NEW

The RE:NEW programme is an admirable and timely scheme that saves householders money on ever-rising fuel bills and reduces London's CO2, thus helping contribute to our carbon reduction programme. By streamlining various initiatives and funding streams into one scheme which targets an area, going direct to people's homes to provide information and practical measures to reduce energy consumption, the initial cost to the provider is recouped by the householder in reduced fuel bills in just two years. It should therefore be supported and brought to as many homes as possible, as quickly as possible.

The pilots and trials have shown that initial, easy energy saving measures can be brought to people's homes for an average cost of £157, but we are confident that with economies of scale and by bringing in the energy companies to support RE:NEW as part of their national obligations, we can reduce the cost per home to an average of £120.

The current programme proposes to reach 200,000 homes by 2012, but we feel the value of this scheme is such that we want to see it rolled out faster. For this reason, we want to commit an additional £3 million in order to reach an additional 25,000 homes in 2011/12.

The Mayor has allocated funding for the current phase of RE:NEW which runs until 2012, by which time the Mayor hopes that central Government will take over, fulfilling the RE:NEW aspiration of treating 1.2 million homes with energy saving measures by 2015. As central Government is already making deep and substantial cuts across what are perceived to be soft budgetary targets, we believe this transition to centrally provided funding is unlikely to take place. Unless the programme is stepped up now, with GLA funding, we have serious doubts that the ambitious target of 1.2 million homes will be reached.

London Zoo and Wetland Centre

This scheme, which began receiving funding from the GLA in 2001, will come to an end in March 2011. Boris Johnson personally signed a mayoral decision form in November to bring it to an end.

In 2007 98,330 school children visited London Zoo - more than three quarters did so for free through the funding programme. The cash from the GLA currently gives pupils from every one of the 2,583 state schools in London the opportunity to take part in a free educational visit to London Zoo or the Wetland Centre in Barnes each academic year.

We believe that these types of visits are important and should not be decided upon purely by the income of a child's parents or the type of school they attend to determine whether they can access fantastic educational facilities like these and these successful schemes should continue. This programme helps to both broaden educational experience and to bring this in particular to those without the family background or resources to ordinarily enjoy this enrichment.

Core Greater London Authority – Assembly	£8,000,000
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We note that the Assembly Budget has, in percentage terms of like-for-like revenue spending, achieved a greater saving than the Mayor’s budget. Were the Assembly Budget to achieve the same level of savings as the mayor’s budget it would be set at £8.49million.

Although we propose no change in the Assembly’s budget this year, it is important to note that just as the Mayor is taking on new responsibilities as part of the government’s Localism Bill, and is already increasing the staffing of the GLA to accommodate this, the Assembly will also be taking on more scrutiny responsibilities to ensure the Mayor fulfils his duties, and a re-evaluation of support staff for the Assembly will be necessary over the coming months. We make this point because we, and we understand a majority of Assembly Members, reject the Mayor’s assertion in his budget report that whatever additional duties the Assembly secures can be supported from within its existing budget.

The work of the Assembly is a core and vital part of the work of London’s Government. In particular, during this year the Assembly will, together with other additional duties, be taking over the scrutiny of policing, a service with annual budgets in excess of £3billion.

Metropolitan Police Authority

Metropolitan Police Authority	£2,713,000,000
No change (but see below)	
Initiatives in support of Londoners	
Save 200 Police Officers posts	£10,170,000
Restore the 32 Safer School Team PCSOs	£1,020,000
Youth, Gangs and Knife Crime	£4,000,000
Initial bursary fund for qualifying new police officer recruits	£90,000
Co-locating Borough Child Protection Teams with Local Authority Teams	£156,000
Efficiencies and savings	
Cut unnecessary 1 st and Business Class air travel	£1,500,000
Cut the MPS media department by 50%	£3,400,000
Cut the consultants budget by 50%	£1,450,000
Reduce the Senior Officer Cars budget	£138,000
Move to more leased contracts for cars, rather than hiring them	£298,000
Increase revenue from events	£1,000,000
Reduced overtime budget	£4,400,000
Reduced subscription to Association of Chief Police Officers	£110,000
Reduction in hotel budget of 50%	£140,000
Estates budgets:	
Co-location of offices and rent raised from lettings	£1,000,000
Additional Corporate Real Estate Savings	£2,000,000

Our aim is to minimise cuts to policing arising from the Mayor's budget.

The Coalition government is making drastic cuts to the funding that the MPS receive and the Mayor's response is to cut 581 Police Officers and 790 PCSOs. We note that the Mayor has made cuts in the number of police in London in all of his budgets, despite a promise to retain police numbers at the historically high levels achieved by the previous Mayor. We are deeply

concerned that these further cuts will jeopardise the safety and confidence of Londoners. In addition to recruiting 200 police officers, we will lobby the government to rethink its policy of cutting police funding and put in adequate resources to enable London to restore its pre-budget level. And whilst there are undoubted efficiency savings to be made, further cuts to the number of police support staff also risk reducing time officers are able to spend on our streets and risk forcing them back behind desks.

The Commissioner had stated that the MPS will “shrink” and that this is a very difficult time in policing as a result of the extent of the budget cuts. Partners, such as local authorities, are also facing shrinking budgets and having to make difficult choices as to which services to axe. This means that there is a real risk partners will withdraw from contributing to the ‘purchase’ of additional police officers and funding for crime prevention work, all of which adds additional pressure to an already stretched police force. In the longer term, particularly post Olympics in 2012, we expect things to get much more difficult for the MPS, especially in maintaining police numbers.

We are proposing the following changes:

We plan to put back onto the streets an extra 200 police officers and will retain an additional 32 PSCOs in the Safer Schools Teams. We would halt the planned halving of the number of safer neighbourhood team sergeants.

Knife crime and serious youth violence is rising.² We believe that investment in crime-prevention programmes are vitally important and in the long-term interests of London. We are extremely concerned that the Mayor is retreating from funding many prevention programmes across our City. The removal of the BOCU fund (£8m) which supported partnership work in every London Borough and cuts to officer numbers working in Safer Schools Teams are evidence of this approach. We believe that this funding is essential in preventing our young people from starting a life of crime, joining a gang, or becoming a victim of the rise in serious youth violence and knife crime. As a result we plan to allocate £4m to support partnership work at local and pan-London level aimed at young people in addressing knife crime and gangs. We would also ensure that the number of officers dedicated to Safer Schools Teams are enhanced.

As we stated last year, we will set aside money in order to implement the recommendation of the Laming Progress Report³ regarding co-location of child protection teams. We will roll-out the process of co-locating MPS Public Protection Desks and Local Authority child protection teams that has begun successfully in Haringey.

A police force that is diverse and reflects London’s citizens is important in maintaining the public’s trust. The MPS have made great strides in this over the last decade. However, we are concerned that new arrangements of recruiting police officers primarily through the MSC risks making it difficult for certain groups to embark on a career in the MPS. In order to alleviate the hardship some will undoubtedly face, we will set up a bursary scheme to help those who are less well off or are time poor and need help to overcome these initial hurdles.

We believe that rather than make cuts to the frontline the Mayor should be looking at making further cuts to non-essential spending. We would ask police staff to fly economy and not first class; we will ask them to stay in a budget hotel outside the central zone; we would cut the number of spin doctors in the MPS and the number of consultants they employ; we would reduce the number of chauffeur driven cars the top officers use; we will ask the MPS to acquire any cars they do need on a long lease rather than a short hire deal; we would reduce the MPS fees to ACPO; we would make more savings on rationalising the estate in this financial year; and we would make further savings to the overtime budget.

² There was a 8.3% increase in knife crime during 2010, but the number of young people that have been a victim of knife crime has gone up by a staggering 17.8%. The increase in knife crime is mirrored by a 3.1% increase in serious youth violence.

³ The Protection of Children in England: A Progress Report

We note that the MPS are currently in discussions with the government regarding the costs of policing the Royal Wedding. At this welcome national celebration it is estimated that policing costs could amount to £5M. We believe national government should pay the costs of this operation which we would use to further increase police officer numbers.

All of our savings proposals will mean less waste and more police on the streets, which is what Londoners want too.

London Fire and Emergency Planning Authority

London Fire and Emergency Planning Authority	£409,400,00
No change	

We propose no change to LFEPA's budget. However, the raid by the Mayor on LFEPA's reserves to the tune of £20m will leave a tough legacy and difficult choices for the 2013/14 and 2014/5 budgets due to the unprecedented level of savings to be found. We would bring forward the review of the budget strategy so that there is transparency before the next stage of budget cuts approaches. This is vital in order that Londoners and decision-makers understand the funding challenges we face. Crucial questions need to be addressed on the deployment of resources across the GLA family as a whole, and, significantly, how and whether this should be applied to mitigate or avoid cuts to LFEPA front-line operations and to assess any impact on the London Safety Plan.

Transport for London

Transport for London Mayor's call upon the precept	£6,000,000
No change (but see below)	
Support for Londoners	
Reduce the 7% bus fares rise by cutting the RPI+2% increase to RPI	£24,000,000
Restore the 2-6 Travel card facility	£500,000
Additional Step-Free Access Projects	£50,000,000
Tube Station minimum staffing levels guarantee (equivalent to restoring 100 full-time staff)	£5,000,000
Income Growth and savings in support of Londoners	
Revised and more realistic growth in Public Transport ridership	£12,000,000
Suspend Pedestrian Traffic lights removal project "Smoothing the Traffic"	£800,000
Transfers from Reserves	£66,700,000

The Mayor needs to get back to basics in delivering a sound, affordable and reliable transport service.

The bus service serves the majority of Londoners well, but with 2 years of inflation busting increases the service is becoming unaffordable for some of the poorest and lower paid in our community.

We intend to improve access to the transport network further and restore some of the Mayor's dropped projects - these improvements benefit everyone.

We are concerned that the combination of high fares and understaffed stations will deter more people from using public transport hence we aim to restore some of the station staffing lost from quiet underground stations at night. This, combined with the loss of the zone 2-6 travel card facility, has led to the Mayor undermining transport services in outer London.

We are not able to reverse the abolition of the Western Extension of the Congestion Charging Zone, as it has been scrapped following due consultation and revision of the transport strategy. However, we believe it is important to highlight to Londoners the opportunity cost of its abolition. With net revenues of £55million, its cost to Londoners is equal to

- approximately 2% on fares, or
- 183 hybrid double-decker buses, which give out fewer emissions and would help with London's poor air quality, or
- Reinstate the Step Free Access Programme at stations such as Harrow-on-the-Hill, or

- Build the Surrey Canal road Station on Phase 2 of the East London Line, or
- Retrofitting over 280 TfL buildings in 2011 / 12.

While it is perfectly proper, if he chooses, to scrap the zone, a responsible Mayor would have considered the consequences of abolition for all Londoners, rather than purely buying the votes of a small group of Londoners. And Londoners need to be reminded of the consequences of his decision

London Development Agency

London Development Agency	£ NIL
No change	

The London Development Agency makes no call on the precept, but its duties and, therefore, budget remain central to the Authority's remit of promoting economic development and wealth creation in Greater London, promoting social development in Greater London, and promoting the improvement of the environment in Greater London.

However, given the estimated cut of 49% in LDA thematic programme expenditure - from £166.6 million to £85.6 million - between the 2010/11 and 2011/12 budgets periods, the ability of the LDA to contribute to the delivery of this remit is much diminished. This assertion is supported by the LDA board's July 2010 conclusion that a cut in government grant of 13% or greater to the £275 million in 2010/11 (after in-year cuts) in the 2011/12 grant would be "a break even point, beneath which critical mass would be an issue". If we extrapolate on this conclusion in specific relation to LDA's thematic programme expenditure the LDA's ability to 'deliver' in 2011/12 is highly questionable.

The current economic climate and, in particular, the Office for National Statistics' January announcement that the UK economy had shrunk by 0.5% in the fourth quarter of 2010, means that prioritising LDA funding towards job creation and retention should be an essential feature of the 2011/12 LDA thematic programme budget. It is of concern, then, that the LDA budgets for the Regeneration, Sustained Employment, Business Support, and International Promotion programmes have been cut so significantly in comparison with 2011/12; -56% -36%, -54%, and -73% respectively.

The LDA's record as a driver of economic growth for London is impressive - as illustrated by the fact that Agency has created total of 24,407 jobs sine May 2008. Its ability to continue creating jobs or support people to remain in work should not be discounted and must be amongst the Agency's highest priorities in its wind-down year.

While the Mayor has acknowledged that "the job creation rate achieved by the LDA is good for London" and that he has "been actively lobbying the Government for the best possible settlement for economic development investment in London", he has accepted that it is "inevitable that there will be cutbacks in investment".

This is an unacceptably defeatist position for the Mayor to take and, with this in mind, we are proposing that the LDA administrates the projects highlighted under the Core GLA Budget heading in this document.

As with the Core GLA Budget, the work on this section of our amendment remains work in progress while we await a budget settlement from Government. However, we do not envisage a departure from the headline of a zero call on precept.

PART B: Proposal to approve, with amendments, the Draft Consolidated Budget for the 2011-12 financial year for the Greater London Authority and the Functional Bodies.

RECOMMENDATIONS:

FORMAL BUDGET AMENDMENT

1. The Mayor's draft consolidated budget (together with the component budgets comprised within it) for 2011-12 be amended by the sum(s) shown in column number 3 of the table for each constituent body, as set out and in accordance with the attached Schedule.

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

2. The calculations referred to in recommendation 1 above, give rise to a component budget requirement for 2011-12 for each constituent body as follows:

<i>Constituent body</i>	<i>Component budget requirement</i>
Greater London Authority: Mayor of London	£138,617,000
Greater London Authority: London Assembly	£8,000,000
Metropolitan Police Authority	£2,713,000,000
London Fire and Emergency Planning Authority	£409,400,000
Transport for London	£6,000,000
London Development Agency	£Nil

3. The component budget requirements shown in recommendation 2 above, give rise to a consolidated budget requirement for the Authority for 2011-12 (shown at Line 55 in the attached Schedule) of -

£ 3,275,017,000

BUDGET RELATED MOTIONS

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

NOTES:

- a. A simple majority of votes cast by Assembly members is required to approve any amendment to recommendations (1) to (3) above concerning the Draft Consolidated Budget; abstentions are not counted.
- b. To approve the Draft Consolidated Budget, without amendment, only a simple majority of votes cast is required. Again, abstentions are not counted.

SCHEDULE

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

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
(1)	£212,696,000	£222,896,000	estimated expenditure of the Mayor calculated in accordance with s85(4)(a) of the Act
(2)	£10,621,000	£421,000,000	estimated allowance for contingencies for the Mayor under s85(4)(b) of the Act
(3)	£5,000,000		estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the Act
(4)	£0		estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the Act
(5)	£228,317,000		aggregate of the amounts for the items set out in s85(4) of the Act for the Mayor (lines (1) + (2) + (3) + (4) above)
(6)	-£80,200,000		estimate of Mayor’s income calculated in accordance with s85(5)(a) of the Act
(7)	-£9,500,000		estimate of Mayor’s reserves to be used in meeting amounts in lines (1) and (2) above under s85(5)(b) of the Act
(8)	-£89,700,000		aggregate of the amounts for the items set out in section 85(5) of the Act for the Mayor (lines (6) + (7))
(9)	£138,617,000		the component budget requirement for Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (8) above calculated in accordance with section 85(6) of the Act)

The draft component budget requirement for the Mayor for 2011-12 is: £ 138,617,000
[insert Line 9 figure]

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

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
(10)	£8,000,000		estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the Act
(11)	£0		estimated allowance for contingencies for the Assembly under s85(4)(b) of the Act
(12)	£0		estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the Act
(13)	£0		estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the Act
(14)	£8,000,000		aggregate of the amounts for the items set out in s85(4) of the Act for the Assembly (lines (10) + (11) + (12) + (13) above)
(15)	£0		estimate of the Assembly’s income calculated in accordance with s85(5)(a) of the Act
(16)	£0		estimate of the Assembly’s reserves to be used in meeting amounts in lines (10) and (11) above under s85(5)(b) of the Act
(17)	£0		aggregate of the amounts for the items set out in section 85(5) of the Act for the Assembly (lines (15) + (16))
(18)	£8,000,000		the draft component budget requirement for the Assembly (being the amount by which the aggregate at (14) above exceeds the aggregate at (17) above calculated in accordance with section 85(6) of the Act)

The draft component budget requirement for the Assembly for 2011-12 is: £8,000,000
[insert Line 18 figure]

**Part 3: Metropolitan Police Authority (“MPA”) draft
component budget requirement calculations**

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
(19)	£3,547,200,000		estimated expenditure of the MPA for the year calculated in accordance with s85(4)(a) of the Act
(20)	£25,100,000		estimated allowance for contingencies for the MPA under s85(4)(b) of the Act
(21)		£0	estimated reserves to be raised for meeting future expenditure of the MPA under s85(4)(c) of the Act
(22)		£0	estimate of reserves to meet a revenue account deficit of the MPA under s85(4)(d) of the Act
(23)	£3,572,300,000		aggregate of the amounts for the items set out in s85(4) of the Act for the MPA (lines (19) + (20) + (21) + (22) above)
(24)	-£824,500,000		estimate of the MPA’s income calculated in accordance with s85(5)(a) of the Act
(25)	-£34,800,000		estimate of MPA’s reserves to be used in meeting amounts in lines (19) and (20) above under s85(5)(b) of the Act
(26)	-£859,300,000		aggregate of the amounts for the items set out in section 85(5) of the Act for the MPA (lines (24) + (25))
(27)	£2,713,000,000		the draft component budget requirement for the MPA (being the amount by which the aggregate at (23) above exceeds the aggregate at (26) above calculated in accordance with section 85(6) of the Act)

The draft component budget requirement for the MPA for 2011-12 is: £2,713,000,000
[insert Line 27 figure]

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

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
(28)	£459,600,000		estimated expenditure of LFEPA for the year calculated in accordance with s85(4)(a) of the Act
(29)	£0		estimated allowance for contingencies for LFEPA under s85(4)(b) of the Act
(30)	£0		estimated reserves to be raised for meeting future expenditure of LFEPA under s85(4)(c) of the Act
(31)	£0		estimate of reserves to meet a revenue account deficit of LFEPA under s85(4)(d) of the Act
(32)	£459,600,000		aggregate of the amounts for the items set out in s85(4) of the Act for LFEPA (lines (28) + (29) + (30) + (31) above)
(33)	-£30,900,000		estimate of LFEPA’s income calculated in accordance with s85(5)(a) of the Act
(34)	-£19,300,000		estimate of LFEPA’s reserves to be used in meeting amounts in lines (28) and (29) above under s85(5)(b) of the Act
(35)	-£50,200,000		aggregate of the amounts for the items set out in section 85(5) of the Act for LFEPA (lines (33) + (34))
(36)	£409,400,000		the draft component budget requirement for LFEPA (being the amount by which the aggregate at (32) above exceeds the aggregate at (35) above calculated in accordance with section 85(6) of the Act)

The draft component budget requirement for LFEPA for 2011-12 is: £409,400,000
[insert Line 36 figure]

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

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

1	2	3	4
Line	Mayor’s proposal	Budget amendment	Description
(37)	£8,441,000,000	£8,495,700,000	estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the Act
(38)	£154,000,000		estimated allowance for contingencies for TfL under s85(4)(b) of the Act
(39)	£245,000,000	£178,300,000	estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the Act
(40)	£0		estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the Act
(41)	£8,840,000,000	£8,828,000,000	aggregate of the amounts for the items set out in s85(4) of the Act for TfL (lines (37) + (38) + (39) + (40) above)
(42)	-£8,834,000,000	£8,822,000,000	estimate of TfL’s income calculated in accordance with s85(5)(a) of the Act
(43)	£0		estimate of TfL’s reserves to be used in meeting amounts in lines (37) and (38) above under s85(5)(b) of the Act
(44)	-£8,834,000,000	£8,822,000,000	aggregate of the amounts for the items set out in section 85(5) of the Act for TfL (lines (42) + (43))
(45)	£6,000,000		the component budget requirement for TfL (being the amount by which the aggregate at (41) above exceeds the aggregate at (44) above calculated in accordance with section 85(6) of the Act)

The draft component budget requirement for TfL for 2011-12 is: £6,000,000
[insert Line 45 figure]

Part 6: London Development Agency (“LDA”) draft component budget requirement calculations

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

1	2	3	4
Line	Mayor’s Proposal	Budget amendment	Description
(46)	£213,700,000		estimated expenditure of the LDA for the year calculated in accordance with s85(4)(a) of the Act
(47)	£3,000,000		estimated allowance for contingencies for the LDA under s85(4)(b) of the Act
(48)	£0		estimated reserves to be raised for meeting future expenditure of the LDA under s85(4)(c) of the Act
(49)	£0		estimate of reserves to meet a revenue account deficit of the LDA under s85(4)(d) of the Act
(50)	£216,700,000		aggregate of the amounts for the items set out in s85(4) of the Act for the LDA (lines (46) + (47) + (48) + (49) above)
(51)	-£216,700,000		estimate of the LDA’s income calculated in accordance with s85(5)(a) of the Act
(52)	£0		estimate of the LDA’s reserves to be used in meeting amounts in lines (46) and (47) above under s85(5)(b) of the Act
(53)	- £216,700,000		aggregate of the amounts for the items set out in section 85(5) of the Act for the LDA (lines (51) + (52))
(54)	£0		the component budget requirement for the LDA (being the amount by which the aggregate at (50) above exceeds the aggregate at (53) above calculated in accordance with section 85(6) of the Act)

The draft component budget requirement for the LDA for 2011-2012 is: £0
[insert Line 54 figure]

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

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

1	2	3	4
Line	Mayor's proposed consolidated budget requirement	Budget amendment's proposed consolidated budget requirement	Description
(55)	£3,275,017,000	£3,275,017,000	the GLA's consolidated budget requirement (the sum of the amounts in lines (9) + (18) + (27) + (36) + (45) + (54)) calculated in accordance with section 85(8) of the Act

The draft consolidated budget requirement for 2011-12 is: £3,275,017,000
 [insert Line 55 figure]