

2017/18 Draft Budget Submission

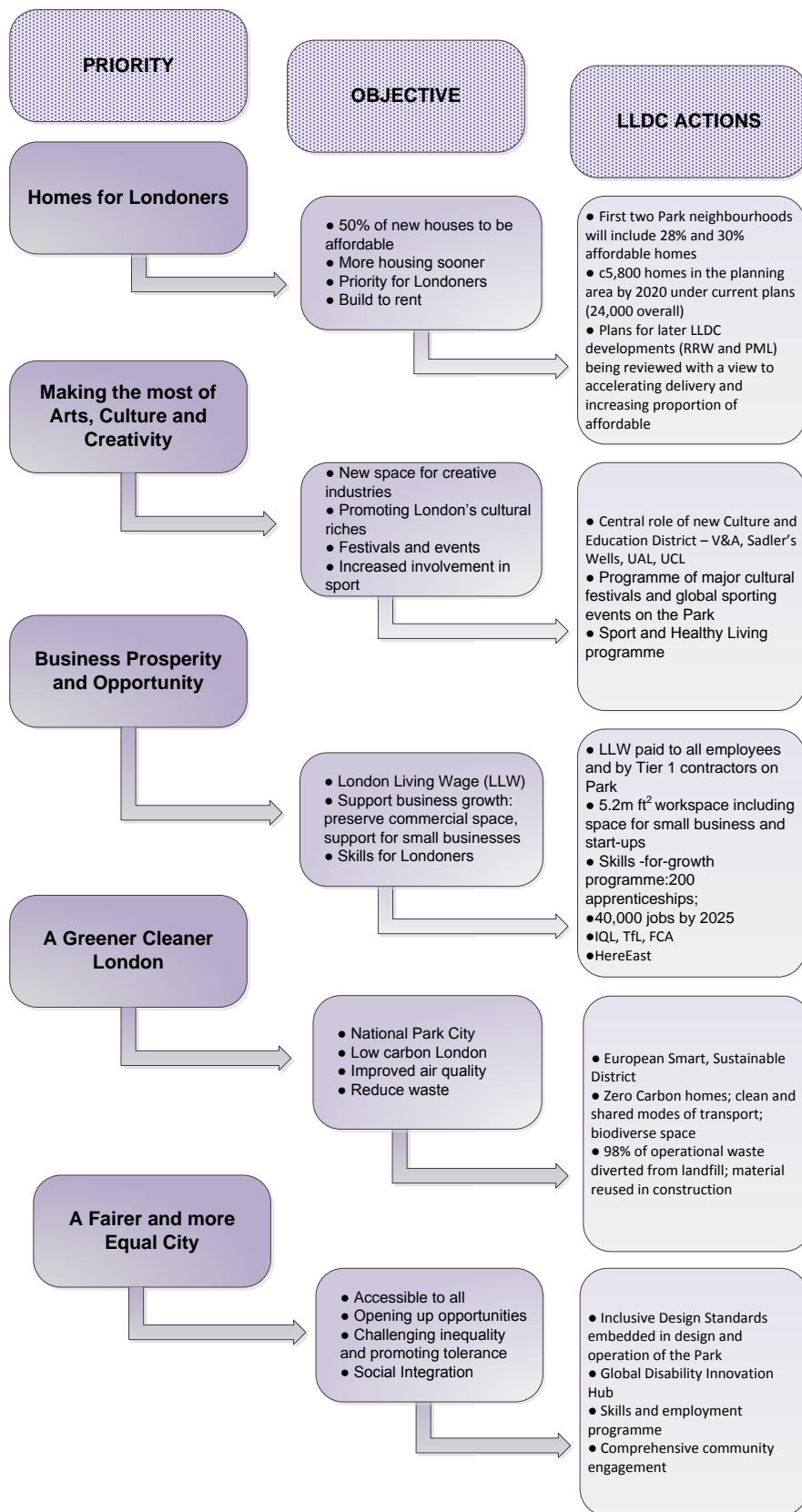
1. SUMMARY

- 1.1. This report sets out the 2017/18 capital and revenue budget submissions of the LLDC to the Mayor. It covers the four financial years 2017/18 to 2020/21 and is prepared in accordance with the Mayor's budget guidance.

2. BACKGROUND

- 2.1. The LLDC budget forms part of the GLA budget. The GLA budget process ensures there are sound financial plans to support Mayoral objectives and priorities within available resources.
- 2.2. Following a series of informal discussions with the GLA in respect of the Corporation's deliverables and financial plans, a draft budget submission, is attached as Appendix 1, which reflects the outcome of these discussions and which was submitted on 30 November 2016 as part of the GLA's statutory budget process. A draft consolidated budget will be issued by the GLA in December 2016. The draft will be considered by the London Assembly initially in January 2017, with a further review of the final draft in February 2017. The final budget for the Corporation will go to LLDC's Board for approval in March 2017.
- 2.3. The Mayor has also asked the GLA bodies, including LLDC, to adjust their business plans and budgets to reflect his new priorities for London. Many of the existing deliverables of the Corporation already align to the Mayor's priorities. The major adjustment currently under consideration by LLDC is the proposed change in the housing strategy to deliver more affordable homes for Londoners more quickly, through the acceleration of the Pudding Mill Lane (PML) and Rick Roberts Way (RRW) sites and increasing the volume of affordable housing to be delivered on those sites. A summary of the ways the LLDC is supporting the Mayor's priorities is shown in the diagram overleaf, setting out the Mayor's priorities, how they are to be achieved and what the LLDC is doing to deliver them.

Figure 1: Delivering the Mayor's priorities



Review process

- 4.1 The Corporation's long term financial model which now extends to 2051, underpins the short term budgets. The model sets out all capital and revenue income and expenditure by directorate. Movements and changes in assumptions from the previously approved model have been reflected in an updated model which is subject to formal approval by LLDCs Board and the GLA annually.
- 4.2 This year, the budget process involved:
- assessment of LLDC's strategy against the Mayor's priorities
 - review of key assumptions which underpin budget projections
 - updating the long term financial model for changes identified since the previous year
 - challenging cost and income proposals with responsible Executive Directors to identify savings and efficiencies
 - scrutiny by the Executive Management Team (EMT) and the Corporation's Investment Committee
 - a number of meetings with the GLA to review the financial projections prior to the submission of an initial draft budget in October, covering the changes from last year, a detailed focus on the revised housing strategy and implications for capital budgets, revenue costs and income forecasts, and risks.

3. CAPITAL BUDGET

- 3.1. The capital budget for the next four years is set out in the table below, showing the profile of both capital income and expenditure. Net capital expenditure, after capital receipts and other income, is funded through loan finance from the GLA which will be repaid from net receipts from the various development zones on and around QEOP.

	2016/17 (Forecast) £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Capital Income					
Development	19.1	44.1	69.3	36.4	108.2
Cultural and Education District	2.0	13.2	150.0	74.8	11.5
Total Capital Income	21.1	57.3	219.3	111.2	119.7
Capital Expenditure					
Development	(27.7)	(77.5)	(12.7)	(31.4)	(5.4)
Finance and Corporate Services	(2.1)	(2.0)	(1.6)	(0.9)	(0.8)
Cultural and Education District	(26.2)	(11.1)	(111.5)	(236.9)	(193.5)
Park Operations and Venues - excl Trading	(9.1)	(2.1)	(2.8)	(1.7)	(2.0)
Regeneration and Community Partnerships	(1.7)	(0.6)	(0.2)	(0.2)	(0.2)
Stadium	(35.9)	(8.4)	(5.4)	(5.0)	(4.8)
Contingency	(6.3)	(2.3)	(0.3)	(0.4)	(0.6)
Total Capital Expenditure	(109.1)	(104.0)	(134.6)	(276.4)	(207.4)
Net Capital Expenditure	(88.0)	(46.7)	84.6	(165.3)	(87.6)

3.2. Capital Income

3.2.1. Development

The development income largely reflects anticipated receipts from the developments as they come to market:

- 2017/18 Chobham Manor phase 1 receipts and funding for Hackney Wick station improvements

- 2018/19 Chobham Manor phase 2 receipts
- 2019/20 East Wick and Sweetwater receipts together with the planned disposal of 3 Mills studios
- 2020/21 Chobham Manor later phases and further receipts from East Wick and Sweetwater.

3.2.2. Cultural and Education District

Income from the Cultural and Education District is largely land receipts and contributions from the universities towards the costs of constructing their buildings, particularly in 2018/19 and 2019/20, together with anticipated philanthropic grant income to the project.

3.3. Capital Expenditure

3.3.1. Development

Development costs in 2017/18 relate to section 106 works on the East Wick and Sweetwater development site, together with accelerated infrastructure costs for Pudding Mill Lane in anticipation of implementing the housing strategy. There are also costs for the Hackney Wick station improvement works and works at 3 Mills studios. Expenditure in the latter years is largely infrastructure spend on the Pudding Mill Lane and Rick Roberts Way sites.

3.3.2. Finance and Corporate Service

Expenditure covers the costs of IT implementation in the Park and staff working on capital projects.

3.3.3. Cultural and Education District

Costs for the Cultural and Education District show the profile of expenditure as construction gets underway on site in 2018/19 on the university buildings initially, followed by the cultural buildings and investment in the residential joint venture.

3.3.4. Park Operations and Venues

Costs relate to lifecycle works on the Park.

3.3.5. Regeneration and Community Partnerships

These costs are for the movement of a community centre, the setup of the World Para Athletic championships and work on the Global Disability Innovation hub (an initiative to improve the lives of disabled people).

3.3.6. Stadium

Costs for the stadium relate to LLDCs working capital contributions as a member of the E20 Stadium LLP partnership, based on a range of assumptions on operating costs and revenues, naming rights income and the cost of seat moves which are subject to review under the Mayor's investigation.

4. REVENUE BUDGET

- 4.1. The revenue income and expenditure budget (pre-financing) is shown below. The profile broadly shows a growth in income and a decline in expenses as the business matures. A large part of the revenue expenditure is the relatively fixed costs required to operate the business. The difference between income and expenditure is currently met by a grant from the GLA.

	2016/17 (Forecast) £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Revenue Income					
Development	0.1	0.1	0.2	0.7	1.4
Finance and Corporate Services	0.3	0.1	0.1	0.1	0.1
Park Operations and Venues - excl Trading	2.6	3.0	3.6	3.8	8.0
Planning Policy & Decisions	1.4	1.1	1.0	0.7	0.6
Regeneration and Community Partnerships	0.3	0.2	0.0	0.0	0.0
Total Revenue Income	4.7	4.6	5.0	5.3	10.1
Revenue Expenditure					
Communication, Marketing and Strategy	(2.2)	(2.0)	(2.0)	(1.9)	(1.9)
Development	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Executive Office	(2.3)	(2.1)	(2.4)	(2.5)	(2.5)
Finance and Corporate Services	(6.7)	(6.3)	(6.2)	(5.8)	(5.8)
Park Operations and Venues - excl Trading	(8.2)	(8.0)	(8.1)	(8.1)	(8.2)
Trading Net	(1.5)	(2.3)	(2.6)	(3.0)	(3.1)
Planning Policy & Decisions	(2.7)	(2.3)	(2.2)	(1.9)	(1.9)
Regeneration and Community Partnerships	(3.7)	(4.2)	(2.5)	(2.4)	(2.2)
Contingency	(0.7)	(0.5)	(0.3)	(0.3)	(0.3)
Total Revenue Expenditure	(28.0)	(27.7)	(26.4)	(25.8)	(26.0)
Net Revenue Expenditure	(23.3)	(23.1)	(21.4)	(20.6)	(16.0)
Trading Income	6.5	6.5	4.4	2.5	2.5
Trading Expenditure	(8.0)	(8.7)	(7.1)	(5.5)	(5.6)
Trading Net	(1.5)	(2.3)	(2.6)	(3.0)	(3.1)

4.2. Revenue Income

4.2.1. Development

Development income is from private rental sector units in the East Wick and Sweetwater development prior to their eventual disposal. The income grows as more units come on stream.

4.2.2. Park Operations and Venues - excluding trading

Largely income from the fixed estate charge, a charge on all occupiers of the Park to contribute towards its maintenance as a world class park and venues environment. It increases as more occupiers move onto the Park in the later years. Other income comes from short term events and attractions which take place on the Park.

4.2.3. Planning Policy and Decisions

Planning fees and CIL administration income payable to the LLDC's Planning Authority which reduces over time as fewer new developments are brought forward in the area.

4.2.4. Regeneration and Community Partnerships

Grants from sports bodies to fund some of the Regeneration and Community Partnerships' sports programmes.

4.3. Revenue Expenditure

4.3.1. Communications Marketing and Strategy.

Marketing promotions for the Park and attractions on the Park, media monitoring and dealing with media requests, design and implementation of corporate communications (such as the statutory annual report, website), and preparation of branded material for the Park. The costs decrease as the Park becomes more established.

4.3.2. Executive Office

Office accommodation, HR and the costs of the Executive Office and other non-salary staff costs such as training and recruitment.

4.3.3. Finance and Corporate Services

Support costs such as finance, IT, assurance, commercial, procurement, legal and professional fees, insurance and the costs of the LLDC Board.

4.3.4. Park Operations and Venues – excluding trading

Day to day operational costs of the Park, the most significant element being the estate facilities management of the Park, which is carried out under a third party contract. In addition, there are other charges such as utilities and rates.

4.3.5. Planning Policies and Decisions

Staff and professional fees to enable the LLDC to carry out its planning function.

4.3.6. Regeneration and Community Partnerships

The community involvement and partnership aspects of the LLDC's legacy are implemented by the Regeneration and Community Partnerships team, which mainly involves promoting jobs and skills for local people. In more detail, the work involves: setting up skilled training programmes for local people; promotion of sports programmes on the Park involving local people; setting up the World Para Athletics Championship which will be held on the Park in 2017/18; promoting the Global Disability Innovation hub (a collaboration between partners who are closely connected to Park and the communities and experts who delivered the London 2012 Paralympic Games).

It is planned that the work carried out by the Regeneration and Community Partnerships team will eventually transfer to local partners and this is reflected in the reduction in spend in later years.

4.4. Park Operations and Venues Trading

4.4.1. Trading income is derived from rental and other income from long term venues on the Park (including ArcelorMittal Orbit, the London Aquatics Centre and the Copper Box Arena) and other off park sites held by LLDC, such as 3 Mills studios. Income from the ArcelorMittal Orbit has increased due to the addition of a slide. The reduction in income in 2018/19 is due to the assumed disposal of 3 Mills studios (which forms a large part of the current trading income) and other off site properties

4.4.2. Costs for the operation of the venues on the Park. The reduction in expenditure in later years reflects the assumed disposal of 3 Mills studios. The remainder of the costs are largely for the London Aquatics Centre, the Copper Box Arena and the ArcelorMittal Orbit.

5. CHANGES FROM LAST YEAR'S BUDGET

5.1. There have been a number of changes in assumptions since the preparation of last year's budget which impact on the financial plans. The major changes are covered in this section.

5.2. Change in the Housing Strategy

One of the Mayor's priorities is to deliver more housing in London sooner, with a greater proportion of it being affordable. The LLDC is reviewing the timing of its developments in light of this priority and is seeking to accelerate the development of the Pudding Mill Lane and Rick Roberts Way sites to begin construction in 2020, as well as increasing the volume of affordable housing on each site. These plans are currently being assessed for feasibility, and in particular for their

impact on the Corporation's long term financial plans and its ability to repay borrowing from the GLA.

5.3. In anticipation that feasibility issues will be resolved, infrastructure works required to support the developments will be accelerated to start in 2017 to enable the works to start on site in 2020, and these costs are reflected in the budget submission.

5.4. Cultural and Education District reforecast

As the plans for the Cultural and Education District have developed, there have been changes in the programme and assumptions. It is now assumed LLDC will enter into a joint venture partnership with a residential developer to construct the residential development, rather than contract through a development agreement. The required investment in the joint venture will be repaid through higher receipts. The cash flow of the receipts and payments for the universities' buildings has been revised in line with the legal agreements with partners to develop and it is now assumed the second museum building development costs will be repaid through a rental stream.

5.5. The following changes in assumptions have been reflected in the budget:

- receipts from the later phases of Chobham Manor and the development on the East Wick and Sweetwater site have been moved to later years following revised forecasts from the developers. This will also have an impact on the fixed estate charge and rental incomes received by LLDC
- the rate of house price inflation has been revised down for those developments scheduled to be completed in the next four years due to the potential slowdown in the housing market following the result of the European Union referendum
- cost increases on the Stadium transformation programme are reflected as increased working capital requirements for E20 Stadium LLP as early years' costs are expected to be higher, and revenues lower, than previously anticipated
- revised staff resource costs match the updated headcount baseline for the Corporation and deliver the Cultural and Education District and the later developments

5.6. Income streams

The main revenue income in future years is the fixed estate charge, a charge on all occupants of the Park for the upkeep of the Park. Following changes in market conditions, developers' forecasts have moved the completion of the Chobham Manor later phases by a year and the East Wick and Sweetwater developments by nine months, resulting in delays in the start of the fixed estate charge income.

The delay of the East Wick and Sweetwater site delays the rental income for LLDC from private rental sector units on this site. The business plan for the operator of Here East now predicts reduced rental income for LLDC because of rent free periods granted to commercial tenants, in line with current market practice and higher start up costs.

6. SAVINGS AND EFFICIENCIES

6.1. The anticipated savings and efficiencies incorporated in the budget are shown in the table below.

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Increases in Income				
Regeneration	(0.1)	(0.2)	0.0	0.0
Park Opening and Operations	0.3	0.7	0.4	4.2
Development	(0.0)	0.1	0.5	0.7
Planning Authority	0.0	(0.0)	(0.3)	(0.1)
Corporate, Finance and Contingency	0.1	(0.0)	0.0	0.0
Total Increases in Income	0.3	0.5	0.6	4.8
Savings				
Park Opening and Operations	0.5	0.0	0.0	0.0
Development	0.0	0.0	0.0	0.0
Regeneration	0.4	0.3	0.1	0.0
Planning Authority	0.0	(0.1)	0.2	0.0
Corporate, Finance and Contingency	0.5	0.1	0.5	(0.0)
Staff Salaries	0.3	(0.0)	(0.2)	(0.2)
Total Savings	1.7	0.2	0.6	(0.2)
Efficiencies				
Park Opening and Operations	0.2	(0.0)	(0.1)	(0.1)
Trading (net)	1.0	(0.1)	(0.2)	(0.0)
Development	0.0	(0.0)	(0.0)	(0.0)
Regeneration	0.0	(0.0)	(0.0)	(0.0)
Planning Authority	0.0	0.2	0.1	0.0
Corporate, Finance and Contingency	0.7	0.1	0.1	0.0
Total Efficiencies	1.9	0.2	(0.1)	(0.1)
Net Savings and Efficiencies	3.8	0.9	1.0	4.5

6.2. The savings and efficiencies in last year's budget are shown below.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Total Savings	4.3	2.5	2.3	1.2
Total Efficiencies	4.9	0.4	0.4	0.7
Total Savings and Efficiencies	9.2	2.9	2.7	1.9

6.3. There are a number of areas where additional savings and efficiencies have been identified for the 2017/18 budget.

- reduction in the subsidy required by the London Aquatics Centre, resulting from improved financial performance of the venue and due to the investment in measures to reduce utility costs
- implementation of the commercial strategy, including reviewing a number of contracts to identify more income generating and cost saving initiatives
- review and streamlining of communications expenditure to identify synergies which have led to a reduction in overall costs

6.4. Changes since the preparation of the 2016/17 budget mean not all the anticipated new revenues and efficiencies will be delivered. In particular:

- the projected fixed estate charge income has reduced, as a consequence of the change in the developer's forecasts (see section 7.6)
- rental income from Here East is down, due to the operator granting rent free periods in line with market conditions (section 7.6)
- net stadium income has not been realised as costs are higher and income lower than anticipated in the start up phase of the stadium operation

7. DELIVERABLES

7.1. The mission of the LLDC is: To use the opportunity of the London 2012 Games and the creation of Queen Elizabeth Olympic Park to change the lives of people in east London and drive growth and investment in London and the UK, by

developing an inspiring and innovative place where people want - and can afford - to live, work and visit.

- 7.2. LLDC will deliver the strategic outcomes through four key business objectives: Live, Work, Visit and Inspire. The deliverables of each objective for the next five years are set out below.

Live - Establish successful and integrated neighbourhoods, where people want – and can afford - to live, work and play

- Planning for around 8,000 homes across the LLDC area, including affordable homes in line with the Mayor's ambitions and housing mix to meet local need (as per the Local Plan)
- Building approximately 2,350 homes on LLDC land
- Mossbourne Riverside Academy school and Bobby Moore Academy open, and 1,200 places delivered
- Plans and designs in place for total Legacy Community Scheme commitment of 1,052sqm social infrastructure
- Off-Park physical regeneration programme complete (station improvements, Leaway, A12 crossings)
- Development of local neighbourhood centres at Hackney Wick, Bromley-by-Bow and Pudding Mill proceeding in line with plans
- Smart, Sustainable District plan finalised and embedded with partners and operators

Work - Retain, attract and grow a diverse range of high quality businesses and employers, and maximise employment opportunities for local people and underrepresented groups

- Approximately 8,000 jobs through developments on Queen Elizabeth Olympic Park
- Stimulation of business growth in the LLDC area: measured through net gain in employment floorspace
- Minimum percentage of workforce jobs secured by growth borough residents (30% construction; 25%-85% end use depending on sector)
- Minimum percentage of workforce from priority groups (targets defined by sector and development)
- 5% apprentices in the workforce (construction, EFM, end use)
- Hackney Wick Neighbourhood Centre first phase on-site
- Here East fully occupied with planned profile of tenants

Visit - Create a diverse, unique, successful and financially sustainable visitor destination

- Varied annual events programme delivered for a range of audiences in collaboration with partners and operators
- Brand strategy for Queen Elizabeth Olympic Park embedded with all partners, operators and developers
- Access to waterways opened up via Canal Park and the Leaway
- Queen Elizabeth Olympic Park protected as one of the largest metropolitan parks in east London
- Aspiration for Queen Elizabeth Olympic Park to be an exemplar of accessibility, sustainability, and community benefit fully embedded in visions/missions/long-term plans of developers, operators and partner institutions

Inspire - Create a global, future-ready exemplar for the promotion of cross-sector innovation in technology, sustainability, education, culture, sport, inclusion and participation

- Stratford Waterfront and UCL East design and build nearing completion
- Plans for robust visitor offer developed for the Culture and Education District, including ambitious and appropriate content and visitor services, and integration with the wider Queen Elizabeth Olympic Park offer and brand
- Co-ordinated marketing, programming and audience development plans developed with Stratford Waterfront institutions and local partners, and integrated into the wider Queen Elizabeth Olympic Park offer
- Collaborative and innovative programme developed for disability sport, art, theatre, urban design and transport through the Global Disability Innovation Hub
- Mechanisms for engaging local communities established and embedded with all partner institutions
- Long term solution for sports delivery on the Park identified and implemented

7.3. The key deliverables for 2017/18 are set out in Appendix 1.

8. GOVERNANCE

8.1. Under the terms of the Mayoral London Legacy Development Corporation Governance Direction 2013, LLDC is obliged to:

- 8.1.1. consult with the Mayor before approving the budget and business plan for the purpose of making a formal submission to the GLA as part of the GLA Group's annual statutory budget approval process.
- 8.1.2. before the end of each financial year, and in consultation with relevant GLA officers, prepare a detailed core business plan for the following

year as part of a 4 -year rolling business planning process, including changes to base-line pay for the year covered by the budget, borrowing limits and prudential indicators for the next four years.

- 8.1.3. obtain prior consent to the consideration by the board of any draft core business plan for approval.
- 8.2. As stipulated in the Direction, the GLA has been consulted on the Plan and reviewed the financial information underpinning it.

9. APPENDICES

- **Appendix 1 – GLA Budget Submission**

APPENDIX 1 - LONDON LEGACY DEVELOPMENT CORPORATION CONSULTATION BUDGET EXTRACTS

SECTION 1

Introduction

The Greater London Authority (GLA) is the strategic authority for London and supports the Mayor and the London Assembly in delivering their respective responsibilities and functions. The GLA's four functional bodies are its principal delivery arms: the Mayor's Office for Policing and Crime (MOPAC; overseeing the work of the Metropolitan Police Service - MPS); the London Fire and Emergency Planning Authority (LFEPA); Transport for London (TfL); and the London Legacy Development Corporation (LLDC).

Overall Gross Revenue Expenditure of the Group

Set out below is a summary of the total capital and revenue expenditure of the GLA Group. The table below shows LLDC gross revenue expenditure, including finance costs of £10.5m in 2016/17 (revised budget) and £12.2m in 2017/18.

Total Gross Revenue and Capital Expenditure	2016-17 £m	2017-18 £m	Change £m	Change %
Revenue:				
GLA (Mayor and London Assembly) ¹				
Mayor's Office for Policing and Crime (MOPAC)				
London Fire and Emergency Planning Authority (LFEPA)				
Transport for London (TfL)				
London Legacy Development Corporation (LLDC)	41.5	39.9	-1.6	-4%
Total Revenue (GLA Services)				
Add business rates retention tariff payment to CLG to support local government services outside London				
Total Revenue (including tariff payment)				
Capital:				
GLA (Mayor and London Assembly) ²				
Mayor's Office for Policing and Crime (MOPAC)				
London Fire and Emergency Planning Authority (LFEPA)				
Transport for London (TfL)				
London Legacy Development Corporation (LLDC)	109.1	104.0	-5.1	-5%
Total Capital				
GRAND TOTAL CAPITAL AND REVENUE				

Component Council Tax Requirements

Component council tax requirements	Approved 2016-17 £m	Proposed 2017-18 £m	Plan 2018-19 £m
GLA (Mayor)			
GLA (Assembly)			
MOPAC			
LFEPA			
TfL			
LLDC	0.0	0.0	0.0
Net Billing authority Collection fund surpluses			
Consolidated council tax requirement			

SECTION 7

LLDC MAIN BUDGET SECTION

Introduction

- 7.1 The London Legacy Development Corporation (“the Legacy Corporation”) is responsible for promoting and delivering physical, social, economic and environmental regeneration in the Queen Elizabeth Olympic Park and surrounding area. In particular, the Legacy Corporation aims to maximise the legacy of the Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of convergence.
- 7.2 Since the London 2012 Olympic and Paralympic Games, the Legacy Corporation has been working to transform the Park and venues from their Olympic to their legacy configuration. The Copper Box Arena, Timber Lodge, Aquatics Centre, ArcelorMittal Orbit and the re-modelled Park opened in 2014. Residents began moving in the first phase of the Cobham Manor residential development in 2015/16, and the Stadium opened permanently in summer 2016 as a new home to West Ham United, host to UK Athletics and an events location (following a successful temporary re-opening for a series of events in summer 2015, including Rugby World Cup matches). A slide was added to the ArcelorMittal Orbit which opened in June 2016.
- 7.3 Alongside its operational mobilisation, the Legacy Corporation’s wider role in creating a great place and opportunities for local people will assume ever greater importance. The Corporation will work in partnership to bring forward regeneration schemes and housing to further the transformation of east London enabled by the London 2012 Games. This includes delivering the Cultural and Education District, new social and transport infrastructure, and working with the host boroughs and other partners to create economic opportunity and support local people and businesses, as they seek to access it.
- 7.4 The LLDC budget has been prepared on the basis of the best information available at the time. The assumptions and estimates incorporated in the budget have been reviewed for reasonableness and are considered to be the most appropriate under known circumstances.
- 7.5 The reserves remaining within the LLDC budget will be utilised in full in 2017/18. It is anticipated that any shortfall in future LLDC net revenue expenditure, after further savings and efficiencies have been fully explored, will be supported by grant funding from the GLA.

7.6 This year, the budget process involved:

- assessment of LLDC's strategy against the Mayor's priorities
- review of key assumptions which underpin budget projections
- updating the long term financial model for changes identified since the previous year
- challenging cost and income proposals with responsible Executive Directors to identify savings and efficiencies
- scrutiny by the Executive Management Team (EMT) and the Corporation's Investment Committee
- a number of meetings with the GLA to review the financial projections prior to the submission of an initial draft budget in October, covering the changes from last year, a detailed focus on the revised housing strategy and implications for capital budgets, revenue costs and income forecasts, and risks
- approval of this draft budget submission in November by the LLDC Board

Key Deliverables

7.7 During the period 2017/18, the Legacy Corporation's revenue and capital budgets will be deployed to deliver the following strategic objectives:

Live

- Further completions of residential units at Chobham Manor, and progress on site at East Wick and Sweetwater
- Prepare development strategies for Pudding Mill Lane and Rick Roberts Way sites following the accelerated housing strategy, such that construction can start on site as soon as possible from 2020
- Obtain planning permission for the Cultural and Education District development
- Complete procurement for the construction of the Stratford Waterfront Cultural and Education District development and award construction contracts for the UAL building
- Appoint a developer for the residential towers on Stratford Waterfront
- Complete the Hackney Wick station improvement works
- Appoint a developer for Hackney Wick Neighbourhood centre
- Agree 3 Mills future strategy

Work

- Establish a QEOP Group Training Association pilot at East Wick and Sweetwater

- Deliver demand-led, centrally commissioned, modern methods of construction training programme for local residents
- Deliver the Design...Engineer...Construct BIM curriculum in five local schools
- Award ten post-graduate bursaries through the Inspiring Success programme
- Work with Echo ++ to provide start-up support to 45 entrepreneurs over three programmes
- Support fifteen local young people to access digital, media, tech apprenticeships linked to Here East activities

Visit

- Host the 2017 World Athletic Championships and World Para Athletics Championships
- Meet the estimate of 5.6m visitors to the Park in 2017/18
- Manage and maintain quality of core Parklands and venues during development, including retaining Green Flag
- Conclude a naming rights deal for park attractions
- Successful transition and handover of QEOP Car Park Operations and Parking Enforcement service to new operator
- Finalise medium term plans for future use of Timberlodge and the surrounding parklands
- Maintain estate strategy and property documentation, including an Asset Register
- Review the EFM core contract service levels and develop efficiency programme
- Deliver two community events on QEOP (Big Lunch and Harvest Stomp)

Inspire

- Ensure that effective community development plans are in place and being delivered for the new LCS neighbourhoods, to ensure they are socially integrated with existing adjacent neighbourhoods
- Continue to work with Cultural and Education District partners and Foundation for FutureLondon to facilitate the development of the partnership so as to ensure delivery of the Cultural and Education District strategic objectives and to maximise the value of the cluster
- Ensure mechanisms are in place amongst Cultural and Education District partners to establish relationships with local stakeholders and to build early partnerships locally
- Progress a co-ordinated Cultural and Education District education engagement programme with partners linking into the Go! schools network
- Deliver the QEOP annual apprenticeship awards

- Develop the Global Disability Innovation Hub by delivering the programme and handing over leadership to UCL no later than March 2018
- Agree and begin to deliver a new 'business as usual case' for sport and health
- Find a long term solution for sports legacy on the Park
- Deliver the environmental engagement strategy (including World Environment Day, World Water Week and Climathon)
- Develop an advanced park mobility prospectus (including automated and clean energy prospects)

Cultural and Education District

- 7.8 The Cultural and Education District brings together the world class cultural and education institutions of Sadler's Wells, University of Arts London (UAL), University College London (UCL) and the Victoria and Albert Museum (V&A) on the Park to create an arts and education quarter that will bring 3,000 jobs in the area and attract 1.5m visitors a year. The £1.3 billion programme is funded through a combination of Government funding, contributions from partners, receipts from the sale of residential developments, philanthropic donations and GLA funding.
- 7.9 The Foundation for Future London (FFL), an independent charity, has been established to secure philanthropic funding as well as to forge links with local communities so that they benefit in the long term from the creation of new jobs and the realisation of new cultural and educational opportunities. Philanthropic receipts of £14.5m are forecast for 2017/18.
- 7.10 The proposed budgets for the Cultural and Education District are reflected in the Capital Plan which includes £11.1m of expenditure in 2017/18. The implications for LLDC supporting this major complex development programme have been reflected in the staffing and associated revenue budget.

Gross revenue expenditure

- 7.11 Gross revenue expenditure in 2017/18 is budgeted to be £39.9m, including estimated capital financing costs of £12.2m, £27.7m net of financing costs.
- 7.12 Gross revenue expenditure has decreased £1.6 from 2016/17 revised budget due to gross savings, efficiencies and other expenditure reductions of £2.9m, offset by a £1.3m increase in financing revenue.

Net revenue budget and council tax requirement

- 7.13 Net revenue expenditure (net of income) in 2017/18 is budgeted to be £35.3m, £23.1m net of financing costs.
- 7.14 Net revenue expenditure has decreased £1.4m from 2016/17 revised budget due to net savings, efficiencies, other cost and revenue movements of £2.7m, offset by a £1.3m increase in financing costs.
- 7.15 LLDC's revenue budget is summarised below. This includes capital financing costs to service borrowing, which has a net nil impact as the funding is provided by the GLA.

LLDC – Objective Analysis

Objective analysis	Revised	Forecast	Budget	Plan	Plan	Plan
	Budget					
	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m	£m	£m
Park, Operations, Venues and Trading	10.8	9.7	10.2	10.7	11.1	11.3
Development	0.1	0.1	0.1	0.1	0.1	0.1
Regeneration	3.1	3.7	4.2	2.5	2.4	2.2
Corporate	14.8	11.1	10.3	10.6	10.1	10.2
Planning Authority	1.1	2.7	2.3	2.2	1.9	1.9
Irrecoverable VAT and contingency	0.7	0.7	0.5	0.3	0.3	0.3
Financing costs	10.9	10.5	12.2	10.9	14.2	19.3
Total expenditure	41.5	38.5	39.9	37.3	40.0	45.3
Park, Operations and Venues	(3.2)	(2.6)	(3.0)	(3.6)	(3.8)	(8.0)
Development	(0.2)	(0.1)	(0.1)	(0.2)	(0.7)	(1.4)
Regeneration	(0.3)	(0.3)	(0.2)	0.0	0.0	0.0
Planning authority income	(1.1)	(1.4)	(1.1)	(1.0)	(0.7)	(0.6)
Corporate	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)
Total Income	(4.8)	(4.7)	(4.6)	(5.0)	(5.3)	(10.1)
Net expenditure	36.7	33.8	35.3	32.3	34.8	35.3
Use of reserves	(8.6)	(6.1)	(6.3)	0.0	0.0	0.0
Financing requirement	28.1	27.7	29.0	32.3	34.8	35.3
Financed by:						
GLA Funding for core activities	17.2	17.2	16.8	16.8	16.8	16.8
GLA Funding for financing costs	10.9	10.5	12.2	10.9	14.2	19.3
Funding/savings to be identified	(0.0)	0.0	(0.0)	4.6	3.8	(0.8)
Council Tax Requirement	0.0	0.0	0.0	0.0	0.0	0.0

A reconciliation from the revenue expenditure reported in LLDC's management accounts before financing costs to total expenditure shown above is shown below.

	Forecast Outturn	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue expenditure before financing costs	28.0	27.7	26.4	25.8	26.0
Financing Costs	10.5	12.2	10.9	14.2	19.3
Total expenditure	38.5	39.9	37.3	40.0	45.3

Explanation of budget changes

- 7.16 Most changes to the Legacy Corporation's budget reflect the changing scope of the organisation's work as the Corporation develops, the resource requirements to support the Cultural and Education District programme, the cost of managing the Park and venues alongside targeted savings and efficiencies. An analysis of the year on year movement in the council tax requirement is set out below.

Changes in the LLDC's council tax requirement	£m
2016-17 council tax requirement	0.0
<i>Changes due to:</i>	
Inflation	0.2
Savings	(1.6)
Efficiencies	(2.2)
New initiatives and service improvements	1.0
Change in use of reserves	2.3
Net Change in GLA funding	0.4
2017-18 council tax requirement	0.0

Inflation

- 7.17 The majority of the inflation increase relates to the costs of a renegotiated lease on the office premises in Stratford which increased the rent charge from 2017/18.
- 7.18 The Corporation's forecast payroll bill for 2017/18 assumes increases for annual increments dependent on performance and a 1% cost of living award, pending consultation with the GLA.

Savings and efficiencies

- 7.19 Savings and efficiencies proposed, including increases in projected income for 2017/18 include the following:
- Reduction in the subsidy required by the London Aquatics Centre, because of the investment in measures to reduce the utility costs and improved financial performance of the venue
 - Reduction in the subsidy required by the ArcelorMittal Orbit, following the addition of a slide which has increased the numbers visiting the Orbit
 - Implementation of the commercial strategy, including reviewing a number of contracts to identify more income generating and cost saving initiatives

- Review and streamlining of communications expenditure to identify synergies which have led to a reduction in overall costs
- Reduction in security contingency
- Reduction in a major sports programme in 2017/18 as previously planned

New initiatives and service improvements

7.20 Areas where the Legacy Corporation's expenditure will grow include:

- Additional costs for the World Parathletic Championship in 2017/18 which will be the last year LLDC organise this event
- An increase in the training initiatives and programmes for local people
- An increase in the licence costs for water discharges from development on the Park

Change in use of reserves

7.21 During 2016/17 the Legacy Corporation expects to draw down £6.1m of revenue reserves, bringing the balance to £6.3m as at 1 April 2017. The Corporation anticipates making savings in 2017/18. Remaining reserves of £6.3m will be drawn down in full in 2017/18.

Change in GLA funding

7.22 The Legacy Corporation receives its revenue funding via the GLA. The requirement for 2017/18 is £16.8m before financing; a reduction from £17.2m required for 2016/17. Additional funding requirement for 2018/19 and thereafter are subject to further efficiencies in Park management and venue operations and the successful commercial exploitation of Park assets. Until Fixed Estate Charge income increases to support operations within the funding available, it is unlikely that sufficient savings and efficiencies will be possible to bridge the funding gap entirely.

Equalities

7.23 The LLDC was established to deliver the legacy ambitions of the London 2012 Games through 'the regeneration of an entire community for the direct benefit of everyone who lives there'. The host boroughs for the London 2012 Games contained some of London's most deprived neighbourhoods and communities, and ambitious plans had long been fostered to regenerate this part of east London: to transform the post-industrial landscape while preserving local heritage, and to create stronger economic conditions and better life chances for its residents.

7.24 The LLDC's mission is 'to use the opportunity of the London 2012 Games and the creation of the Queen Elizabeth Olympic Park to change the lives of

people in east London and drive growth and investment in London and the UK, by developing an inspiring and innovative place where people want to – and can afford – to live, work and visit.’

- 7.25 The LLDC has recently reviewed its equalities strategy to deliver the programme. The strategy promotes equality through its objectives to:
- Establish successful and integrated neighbourhoods where people want -and can afford to live, work, and play
 - Retain, attract and grow a diverse range of high quality businesses and employers, and maximise employment opportunities for local people and under-represented groups
 - Create a global, future-ready exemplar for the promotion of cross-sector innovation in technology, sustainability, education, culture, sport, inclusion and participation
- 7.26 The Cultural and Education District is a major part of the transformation programme which will touch the lives of everyone who visits, lives and works in east London. It will create a new powerhouse for innovation and creativity through a unique collaboration between world-leading universities, arts and culture bodies, opening up opportunities for all.
- 7.27 In addition, a major variation in this year’s budget to promote equality is to put in place the infrastructure required to accelerate and create more affordable housing within the developments which have yet to be contracted.
- 7.28 It should be noted that the budget has maintained its planned reductions in a number of other areas which promote equality on the basis that the Corporation was planning to curtail its own activities and hand them over to partners on the Park; namely
- the closure of the Arts and Culture programme in 2015/16 which has transferred to FFL
 - the reduction in the Paralympic legacy after the 2017 World Para Athletics Championship. The Paralympic legacy will be delivered through the Global Disability Inclusion Hub, which will transfer to UCL in 2018.
 - leadership of LLDC’s Sports and Health programme are planned to transfer to other Park partners in April 2018 under arrangements currently being discussed.
 - leadership of the Socio-Economic, Community Engagement and Sustainability programmes is planned to remain with LLDC longer, though the LLDC’s planned budget for these activities reduces year-on-year as incoming organisations arrive at the Park and become

progressively more able to sustain the legacy work established by LLDC

- 7.29 The LLDC fulfils its equality obligations through:
- Its own internal HR policies and procedures
 - Ensuring all project initiation documents are assessed for their equalities and inclusion impacts (there is a section in all PIDs and business cases)
 - Equalities statements accompanying planning applications
 - Equality objectives as a scored element within the procurement process
- 7.30 The LLDC is working closely with the GLA to set new strategic equality priorities that deliver the Mayor's ambitions. These are due to be published in January 2017, after which a revision to the current strategic equalities impact assessment will be undertaken.

Environmental Impact

- 7.31 The Legacy Corporation's policy is that the Park will use the best of the Games' infrastructure, innovation and inspiration to provide a pioneering model of urban regeneration promoting sustainable lifestyles through sustainable infrastructure. The Park was conceived as an environmental showcase and will continue to strive for environmental excellence. The Corporation has set a wide range of environmental performance measures and publishes an annual sustainability report.

Reserves

- 7.32 At 31 March 2016 The Legacy Corporation's general reserves balance was £12.4m which is held to fund expenditure. This balance is forecast to fall to £6.3m by 31 March 2017 and utilised in full by the end of 2017/18. The Mayor is not expecting the Corporation to hold any earmarked revenue reserves. The expected movements in reserves over the planning period are set out in the table below.

Movement in LLDC reserves During Financial Year	Outturn 2015-16	Forecast 2016-17	Budget 2017-18	Plan 2018-19	Plan 2019-20	Plan 2020-21
	£m	£m	£m	£m	£m	£m
Opening balances	22.2	12.4	6.3	(0.0)	(0.0)	(0.0)
Transfers to/from:						
Earmarked reserves						
General reserves	(9.8)	(6.1)	(6.3)	(0.0)	(0.0)	0.8
Closing balances	12.4	6.3	(0.0)	(0.0)	(0.0)	0.8

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

Total LLDC reserves at end of financial year	Outturn 2015-16	Forecast 2016-17	Budget 2017-18	Plan 2018-19	Plan 2019-20	Plan 2020-21
	£m	£m	£m	£m	£m	£m
Earmarked reserves						
General reserves	12.4	6.3	(0.0)	(0.0)	(0.0)	(0.0)
Total	12.4	6.3	(0.0)	(0.0)	(0.0)	0.8

Section 9 – Draft Capital Spending Plan and Borrowing Limits

Introduction

The Mayor is required to prepare a Capital Spending Plan (CSP) every year for each of the GLA's functional bodies. Before issuing his final plan he is required to consult on a draft plan with the Assembly and each functional body under section 123 of the GLA Act. This section sets out the draft capital spending plan for consultation. Even though the statutory timetable for the submission of the CSP is different from the requirements for the revenue budget, the same timeframe is adopted to ease consultation. The Mayor is also required to set the borrowing limits for the GLA Group – the proposals for which are set out in Appendices A to F for the GLA and each functional body.

Draft Capital Spending Plan

Set out below is a summary of the Mayor's Draft Capital Spending Plan for 2017/18 which sets out the capital funding sources for the CSP in line with the format required under section 122 of the GLA Act. Further details on the GLA and each functional body's draft plan are set out in Appendices A to F. More details of the key deliverables are set out in this section under each member of the Group and in the relevant Appendices.

Draft GLA Group Statutory Capital Spending Plan 2017/18 Under Section 122 of the GLA Act (for consultation)

Section		GLA £m	MOPAC £m	LFEP £m	TfL £m	LLDC £m
A	Total external capital grants					9.9
	Opening balance of capital receipts					
	Total capital receipts during the year					47.4
	Total capital grants/ receipts					57.3
B	Minimum s.120(1) grant					
	Total borrowings during the year					46.7
	Total borrowings					
	Total borrowings and credit arrangements					46.7
C	Total capital expenditure anticipated during the year					104.0
	Total credit cover arrangements in respect of requirements of 50(2) and 51(4) Local Government and Housing Act 1989					
	Total capital spending for the year					104.0

D	Funding: capital grants					9.9
	Funding: capital receipts/reserves					47.4
	Funding: borrowings and credit arrangements					46.7
	Funding: revenue contributions incl. T					
	Total funding					104.0

Set out below is a summary of the Mayor's draft Capital Plan to 2018/19 and how this is financed. This shows that overall the GLA Group will be investing around £xxx million less in 2016/17 than in 2015/16. [This is largely because of TfL's capital investment programme.]

Summary of the Capital Plan	2016-17	2017-18	2018-19	2019-20	2020-21	5 year
Plan	F'cast	Plan	Plan	Plan	Plan	Total
Plan 2015-16 to 2018-19	£m	£m	£m	£m	£m	£m
GLA						
MOPAC						
LFEPAC						
TfL						
LLDC	109.1	104.0	134.6	276.4	207.4	831.6
Total						

LLDC

- 9.1 The LLDC's capital plan supports the purpose of using the opportunity of the London 2012 Games to lead the regeneration of Queen Elizabeth Olympic Park and surrounding areas, developing a dynamic new heart for east London.
- 9.2 The priorities of the LLDC's capital plan are:
- The Cultural and Education District to further the Mayor's culture agenda and the regeneration of QEOP and the surrounding areas
 - Infrastructure costs to assist in the development of the area and delivery of development receipts in order to repay borrowings
 - Other projects, such as Hackney Wick station improvements which support the regeneration of the area as well as delivery of receipts
- 9.3 The Mayor's proposed capital spending plan for the LLDC is £104.0 million in 2017/18. This represents a reduction of £5.1 million compared to the 2016/17 forecast. The main elements are:
- Infrastructure costs for the East Wick and Sweetwater development

- Infrastructure costs for Pudding Mill Lane and Rick Roberts Way developments in anticipation of accelerated delivery to deliver against the Mayors housing strategy
- Hackney Wick Station improvements
- Further development of the Cultural and Education District programme
- 3 Mills river wall works
- Working capital for E20 Stadium LLP

9.4 Details of LLDC's Capital Plan to 2018/19, together with the financing costs of the programme and the Authorised Limit and Operational Boundary for external debt are set out at Appendix E. The Mayor proposes that capital support to LLDC should be provided as loan funding to bridge the funding gap between the cost of the infrastructure required to enable the development of the Queen Elizabeth Olympic Park (including the Cultural and Education District) and the future receipts from land sales, contributions from a variety of sources to fund the Cultural and Education District (including contributions from partners and philanthropic funding), which will enable the LLDC to repay its borrowings. In 2017/18 this is estimated to be £46.7 million, but in 2018/19 LLDC is projected to have a capital surplus of £87.6 million. Further support of £165.2 million is estimated in 2019/20 and £87.6 million for 2020/21.

9.5 There are risks to the funding from capital receipts around the receipts from housing developments and contributions to the Cultural and Educational District. If capital receipts are lower than anticipated, there will be a reduction in the surplus repaid to the GLA. The receipts are monitored through a quarterly Corporate Performance report published on the LLDC website.

Appendix E: London Legacy Development Corporation

Table 1: LLDC - Subjective analysis

Subjective analysis	Revised	Forecast	Budget	Plan	Plan	Plan
	Budget	Outturn				
	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m	£m	£m
Employee expenses	8.4	8.1	8.0	8.3	8.4	8.6
Premises costs	0.8	1.1	1.0	1.3	1.3	1.3
Supplies and services	21.4	18.9	18.7	16.9	16.1	16.1
Financing costs	10.9	10.5	12.2	10.9	14.2	19.3
Total revenue	41.5	38.5	39.9	37.3	40.0	45.3
expenditure						
Other Income	(4.8)	(4.7)	(4.6)	(5.0)	(5.3)	(10.1)
Net revenue	36.7	33.8	35.3	32.3	34.8	35.3
expenditure						
Use of reserves	(8.6)	(6.1)	(6.3)	0.0	0.0	0.0
Net expenditure after	28.1	27.7	29.0	32.3	34.8	35.3
use of reserves						
Financed by:						
GLA Funding for core activities	17.2	17.2	16.8	16.8	16.8	16.8
GLA Funding for financing costs	10.9	10.5	12.2	10.9	14.2	19.3
Funding/savings to be identified	(0.0)	0.0	(0.0)	4.6	3.8	(0.8)
Council Tax Requirement	0.0	0.0	0.0	0.0	0.0	0.0

Table 2: LLDC – New initiatives

LLDC New Initiatives	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
Park Opening and Operations	(0.3)	(0.2)	(0.1)	(0.1)
Regeneration	(0.4)	1.2	0.0	0.2
Planning Authority	(0.0)	(0.0)	(0.1)	0.0
Irrecoverable VAT and contingency	(0.2)	(0.1)	0.0	0.0
Total new initiatives	(1.0)	0.9	(0.2)	0.1

Table 3: LLDC's Draft Capital Plan

LLDC's draft capital plan	Forecast Outturn 2016-17 £m	Proposed Programme 2017-18 £m	Proposed Plan 2018-19 £m	Proposed Plan 2019-20 £m	Proposed Plan 2020-21 £m
Expenditure					
Park Operations and Venues	45.0	10.5	8.2	6.7	6.9
Real Estate and Development	27.7	77.5	12.7	31.4	5.4
Regeneration	1.7	0.6	0.2	0.2	0.2
Cultural and Educational District	26.2	11.1	111.5	236.9	193.5
Corporate	2.1	2.0	1.6	0.9	0.8
Irrecoverable VAT & contingency	6.3	2.3	0.3	0.4	0.6
Over-programming	0.0	0.0	0.0	0.0	0.0
Total expenditure	109.1	104.0	134.6	276.4	207.4
Funding					
Borrowing	88.0	46.7	(84.6)	165.3	87.6
Capital receipts: Cultural and Educational District	2.0	13.2	150.0	74.8	11.5
Capital receipts: Other	8.1	34.2	68.8	35.9	107.7
Other grants and funding	11.0	9.9	0.5	0.5	0.5
Revenue contributions (reserves)	0.0	0.0	0.0	0.0	0.0
Total funding	109.1	104.0	134.6	276.4	207.4

Table 4: LLDC's Authorised limit for external debt

	2016-17 Current Approval £m	2016-17 Revised Approval £m	2017-18 Proposed £m	2018-19 Proposed £m	2019-20 Proposed £m	2020-21 Proposed £m
Borrowing	400.0	400.0	445.0	470.0	661.0	717.0
Long term liabilities						
TOTAL	400.0	400.0	445.0	470.0	661.0	717.0

Table 6: LLDC's Operational limit for external debt

	2016-17 Current Approval £m	2016-17 Revised Approval £m	2017-18 Proposed £m	2018-19 Proposed £m	2019-20 Proposed £m	2020-21 Proposed £m
Borrowing	390.0	390.0	435.0	460.0	651.0	707.0
Long term liabilities						
TOTAL	390.0	390.0	435.0	460.0	651.0	707.0

Appendix G: Savings and Efficiencies

Savings and Efficiencies across the GLA Group

The total savings and efficiencies to 2020/21 which have been identified across the Group are summarised below. The figures are presented on an incremental basis and do not include any savings still to be identified.

Savings	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
GLA: Mayor				
GLA: London Assembly				
MOPAC				
LFEPA				
TfL				
LLDC	1.6	0.0	0.6	(0.2)
Total				

Efficiencies	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
GLA: Mayor				
GLA: London Assembly				
MOPAC				
LFEPA				
TfL				
LLDC	2.2	0.9	0.5	4.7
Total				

Savings and efficiencies	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
GLA: Mayor				
GLA: London Assembly				
MOPAC				
LFEPA				
TfL				
LLDC	3.8	0.9	1.0	4.5
Total				

Appendix H: Summary of Revenue Expenditure and Financing

Introduction

The tables below summarise how the net expenditure (financing requirement) and council tax requirement is calculated for the GLA and each functional body in 2017/18.

	Gross expenditure £m	Fares and traffic income £m	Other general income £m	Net expenditure before use of reserves £m	Use of Reserves £m	Net expenditure after use of reserves
Mayor's Office for Policing and Crime						
GLA Mayor						
GLA Assembly						
LFEPA						
TfL						
LLDC	39.9	0.0	(4.6)	35.3	(6.3)	29.0
Total Other Services						
Total GLA Group						

Council Tax Requirement and Band D Council Tax

	Net expenditure after use of reserves £m	Specific Government Grants £m	General Government Grants £m	Retained Business Rates £m	Council Tax Requirement £m	Band D Amount £
Mayor's Office for Policing and Crime						
GLA Mayor						
GLA Assembly						
LFEPA						
TfL						
LLDC	29.0	(29.0)	0.0	0.0	0.0	0.0
Council tax Net Collection fund (surplus)/deficit						
NNDR Collection fund (surplus)/deficit						
Total other services						
Total GLA Group						

Net revenue expenditure

The net revenue expenditure (net of financing requirement) shown in the tables above - after allowing for the impact of variances in the collection of council taxes by London billing authorities - represents the sum of:

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

The forecast net revenue expenditure for the GLA and each functional body is set out in the table below.

Net revenue expenditure (financing requirement)	Revised Budget 2016-17 £m	Budget 2017-18 £m	Plan 2018-19 £m	Plan 2019-20 £m	Plan 2020- 21 £m
GLA Mayor					
GLA Assembly					
MOPAC					
LFEPA					
TfL					
LLDC	28.1	29.0	32.3	34.8	35.3
Collection fund (surplus)/deficit retained rates					
Collection fund (surplus)/deficit council tax					
Net revenue expenditure					

Summary of Government Grants and GLA Support 2017-18 (Provisional)

	GLA Transport Grant £m	Other Specific Revenue Grants £m	Home Office Police Grant £m	Home Office Formula Grant £m	Revenue Support Grant £m	Rates Retention £m	Mayor's Resilience Reserve £m	Total £m
MOPAC								
GLA Mayor								
GLA Assembly								
LFEPA								
TfL								
LLDC		29.0						
Total Other Services								
Total GLA Group								

Other Specific Revenue Grants reflects GLA revenue grant funding to LLDC of the Corporation's net revenue expenditure after utilisation of reserves.

Summary of Government Grants and GLA Support 2018-19 (Indicative)

	GLA Transport Grant	Other Specific revenue grants	Home Office Police grant	Home Office Formula grant	Revenue Support Grant	Rates retention	Mayor's Resilience Reserve	Total
	£m	£m	£m	£m	£m	£m	£m	£m
MOPAC								
GLA Mayor								
GLA Assembly								
LFEPa								
TfL								
LLDC		32.3						
Total Other Services								
Total GLA Group								

Council tax requirement for other services

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

Council Tax for other services	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
GLA, LFEPa, LLDC and TfL net expenditure					
Government grants and Retained Business Rates					
Share of borough net collection fund surplus/deficit					
Amount for other services	0	0	0	0	0

This is equivalent to a band D Council Tax of **£x.x** for 2017-18 in City of London (**£x.x** in 2017-18).