

**CIPFA London Division – 10 October
2006**

**Rising to the Top – How to Succeed in
Public Finance**

**A GLA Experience (Learning to
Breathe on Planet Zog)**

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Performance**

The GLA

- The Mayor and Assembly

- 2006-07 Spend:

	<u>Total</u>	<u>Olympics</u>
Gross	£130.87m	£57.7m
Net	£118.17m	

- Staff:

10 Mayoral appointments

687 Assembly appointments

GLA group

Net rev exp:
c£8bn funded
from fares, grants
and council tax



LONDON FIRE & EMERGENCY PLANNING AUTHORITY

The GLA

Executive Mayor



Represents and promotes London at home and abroad and speaks up for Londoners

Develops strategies and action plans on London-wide issues:

- **Spatial Development**
- **Transport**
- **Economic Development**
- **Air Quality**
- **Waste Management**
- **Ambient Noise**
- **Biodiversity**
- **Culture**

Duty to:

- **promote health**
- **promote sustainable development**
- **consider equality of opportunity**

Sets total budget for GLA Group with the Assembly

Power to appoint 12 officers

Exercises the executive functions of the GLA (other than employment)

Makes appointments to Functional Bodies Boards and Authorities



The GLA

London Assembly

Holding the Mayor to Account



25 Members:

- **9 Conservative, 7 Labour, 5 Lib Dems, 2 Greens, 2 One London**

Considers the Mayor's budget and can amend it subject to a two-thirds majority

Appoints GLA staff (excluding 12 Mayoral appointments) and sets their terms and conditions

Investigates matters of interest to Londoners

Scrutinises the Mayor's actions and decisions



How Does It Work?

- **Mayor makes decisions**

- **Supported by:**

- Mayoral Directors and Advisors**

- Officers of the Authority outside the Mayor's Office**

GLA Corporate Plan 2006-09

GLA Corporate Plan 2006-09 is centred around delivery of the Mayor's vision, through:

An overall vision of an exemplary world class city

3 cross-cutting themes

5 principal themes

7 aims

17 objectives

40 indicators

Budget Process

Budget decisions are linked to:

- **Mayoral priorities, determined by Londoners' needs, and manifesto commitments**
- **National objectives**
- **Operational needs**

Budget process:

- **Agree policy priorities and issue budget guidance in May each year**
- **Statutory consultation starts in December**
- **Assembly debate in January and February**

GLA Group Expenditure 2006-07

Mayor's budget		
Organisation		
TfL (Transport)	£5.4 billion	
	(56%)	
MPA (Police)	£3.3 billion	
	(34%)	
LFEPA (Fire)	£0.4 billion	(5%)
LDA (Econ dev.)	£0.4 billion	(4%)
GLA	£0.1 billion	(1%)
Total	£9.6 billion	

Sources of Funding

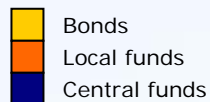
London still very reliant on central government funding, substantially more so than New York and Tokyo

Nature of Council Tax means that focus is shifted towards 8% of the GLA group's gross expenditure

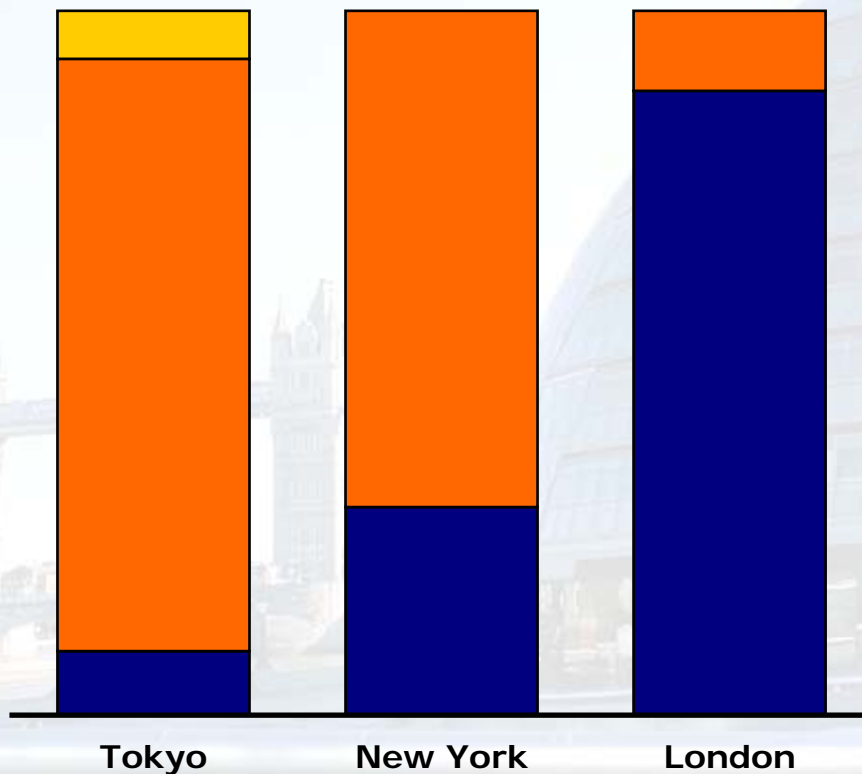
The Mayor is lobbying central government for greater flexibility over funding, e.g. a regional income tax, regional distribution of business rates



Central government holds the purse strings for London – New York and Tokyo, comparable world cities, are much more financially autonomous



Proportions of city expenditure by source



GLA Group Income 2006-07

Sources of Income	
Ring-fenced government grants	£3.2 billion (34%)
General grants and redistributed business rates	£2.1 billion (22%)
Fares, charges and other income	£3.4 billion (35%)
GLA precept (Council Tax)	£0.8 billion (8%)
Reserves	£0.1 billion (1%)
Total	£9.6 billion

GLA Council Tax Precept 2006-07

	Budget Requirement £bn	Precept £	Precept %
MPA	3.3	210.82	(73.0%)
LFEPA	0.4	45.63	(15.8%)
GLA	0.1	29.32	(10.2%)
TfL	5.4	4.16	(1.4%)
LDA	0.4	-	-
Collection Fund		-1.32	(-0.4%)
	9.6	288.61	(100%)

Financial Relationships

The GLA is a dynamic and innovative public organisation which works in partnership for the good of the city

A particular emphasis is placed on renewing the city's infrastructure (e.g. transport, physical regeneration) and providing support to residents (e.g. childcare, housing)

Given the nature of its funding, the GLA needs to work closely with central government to deliver major schemes

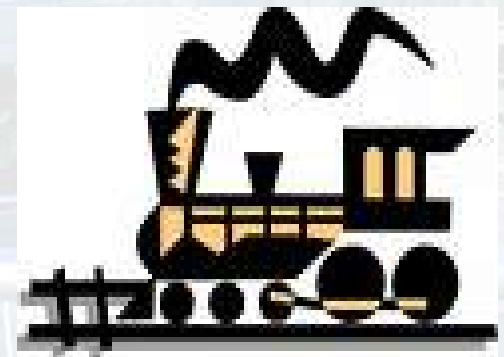


Crossrail

Vital transport scheme to accommodate London's projected population growth

Current estimate of cost c£16 billion

Critical factor will be whether the Treasury is prepared to adjust its 40% sustainable investment rule (debt as a percentage of GDP)



Olympics

£2.375 billion public sector funding subsidy

£625 million of subsidy to be raised from London council tax payers

There is also the cost of related infrastructure works to regenerate the Lower Lea Valley

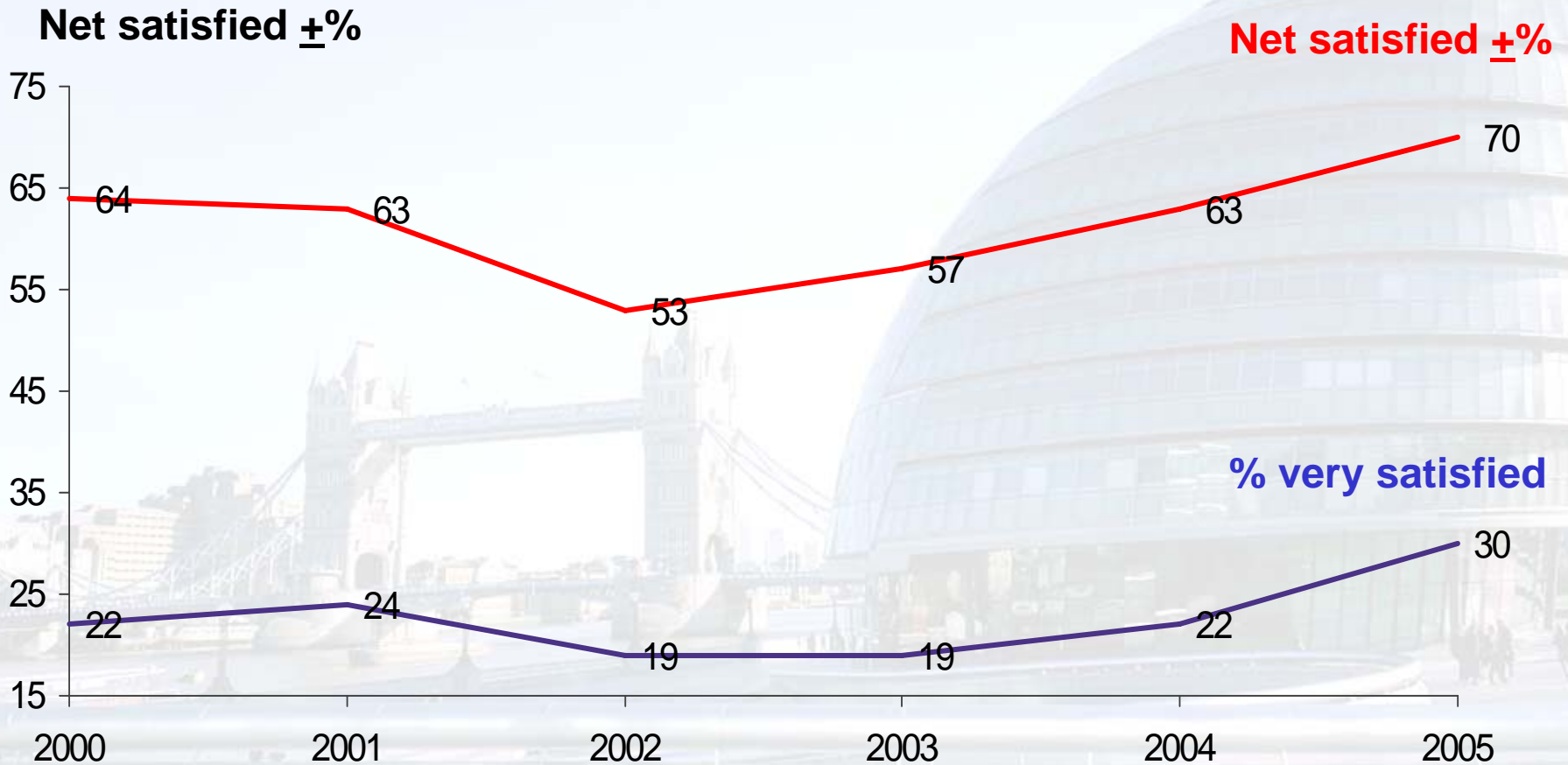
Rest of the country views London as benefiting disproportionately from the Olympics



Annual London Survey

- **1,442 interviews across Greater London Area**
 - **c. 100 in each GLA constituency**
- **Fieldwork: 20th October - 16th December 2005**
 - **conducted in home face-to-face**
- **Data weighted to age, gender, ethnicity, work status, inner/outer London, tenure (council tenant/ not council tenant) and GLA constituency**
- **Allows us to look at trends in Londoners' attitudes, and their changing priorities**

Satisfaction with London 2000 - 2005



Top 5 worst things about living in London

Q What, if anything, would you say are the two or three worst things about living in London?

