

BUDGET REQUIREMENT RETURN 2009-10
BR3 GUIDANCE NOTES
For completion by the Greater London Authority

NOTES FOR COMPLETION

Any budget requirement, calculation of, or setting of council taxes for which another calculation or setting has been substituted at the time of completing this return should be ignored.

Section 12 of the Greater London Authority Act 2007 amended section 85 of the Greater London Authority Act 1999. This amendment requires separate budget requirements to be calculated for the GLA and for the Mayor. These provisions were commenced in relation to financial years beginning on or after 30 October 2007.

For the purposes of this form we do not require the budget requirements of the GLA and the Mayor to be separated except for line 1b (see below).

Lines 1 to 4: column 1 only should be completed for the Greater London Authority (GLA), London Fire and Emergency Planning Authority (LFEPA), the London Development Agency (LDA) and Transport for London (TfL).

Line 1a: should be completed for the Greater London Authority and show the amount of its budget requirement which is attributable to provision for the Olympics.

Line 1b: should be completed for the Greater London Authority and show the amount of its budget requirement which is attributable to the Mayor.

Line 5: column 2 only should be completed in respect of the Metropolitan Police Authority (MPA).

Lines 6 to 14 should be completed for all columns 1 to 3 unless a column is blocked out.

Line 6: For column 1 this amount equals the aggregate of the component budget requirements calculated under section 85(6) of the Greater London Authority Act 1999 ("the GLA Act") for each of the GLA (including the Mayor), LFEPA, LDA and TfL - the sum of lines 1 to 4 (excluding line 1(a)). For column 2 this amount is the component budget requirement of the MPA calculated under section 85(6) of the GLA Act 1999 – as set out at line 5. For column 3 this is the consolidated budget requirement of the GLA calculated under section 85(8) of the GLA Act 1999. All levies are included in the Budget Requirements. The amounts should be shown to the nearest £.

Line 7: the estimate of the amount which is payable for 2009-10 into the Greater London Authority's General Fund in respect of redistributed non-domestic rates which are payable under the Local Government Finance Report (England) 2009/2010,. The amounts to be shown in column 1 and column 2 shall be the amounts prescribed by the Secretary of State for Communities and Local Government. The amounts should be shown to the nearest £.

Line 8: the sum of the estimates of the amounts which are payable for 2009-10 into the Greater London Authority's General Fund in respect of Revenue Support Grant payable for 2009-10 under the Local Government Finance Report (England) 2009-10 and additional grant (if any) payable for 2009-10 in accordance with section 85 of the Local Government Finance Act 1988.

Line 9: the general GLA grant as specified in the General GLA Grant Determination 2009-10. The amount should be shown to the nearest £.

Do not complete line 9 column 2

Line 10: the estimate of the amount which is payable for 2009-10 into the Greater London Authority's General Fund in respect of Police Grant (Principal Formula only), being the amount specified for the Greater London Authority in column (a) of paragraph 3.1 of the Police Grant Report (England and Wales) 2009-10. The amounts should be shown to the nearest £.

Do not complete line 10, column 1.

Line 11: the aggregate of the amounts notified to the Greater London Authority by billing authorities in its area, as its share of each billing authority's estimated Collection Fund deficit (+)/surplus (-) for 2008-09, which is to be paid to/by the billing authority concerned in 2009-10 in accordance with the Local Authorities (Funds) (England) Regulations 1992 (SI 1992/2428). The amounts should be shown to the nearest £.

Do not complete line 11, column 2.

Line 12: for column 1 this will equal $R - P1 - A$ in section 88(2) of the GLA Act 1999. For column 2 this will equal $S2 - P2$ in section 89(4) of the GLA Act 1999. For column 3 this will equal $R - (P1+P2)$ where R, P1 and P2 have the same meanings as in sections 88(2) and 89(4) of the GLA Act 1999. The amounts should be shown to the nearest £.

Line 13: For column 1 the council tax base figure is T, the amount calculated for the purposes of section 88(2) of the GLA Act 1999. For column 2 the council tax base figure is TP2, the amount calculated for the purposes of section 89(4) of the GLA Act 1999. Each amount should be shown to 1 decimal place.

Do not complete line 13, column 3.

Line 14: this should be the same as the basic amount of Council Tax calculated by the Greater London Authority. Line 14 column 1 should be calculated under section 88 of the GLA Act 1999 and shall be the basic amount of council tax for Band D taxpayers in the City of London. Line 14 column 2 should be the additional amount of council tax in respect of the Metropolitan Police Authority calculated under section 89 of the GLA Act 1999. The amount in both columns should be shown to the nearest penny.

Do not complete line 14, column 3.

Line 15: this is the amount of Band D Council Tax for 2009-10 notified to the councils of the London boroughs, but not the Common Council of the City of London by the Greater London Authority in accordance with section 40(2)(a) of the Local Government Finance Act 1992. The amount should be shown to the nearest penny.

Icelandic Bank questions

The Minister for Local Government announced in the House of Commons on 26 November 2008 that the Government proposed to make a regulation which would allow local authorities with funds invested in Icelandic banks to postpone the impact of the impairments required by accounting practice from 2008-09 to 2010-11. Further details of the proposal were given in a letter from Communities and Local Government to local authorities on the same day, and a consultation document containing a draft regulation was issued on 10 December 2008:

<http://www.local.communities.gov.uk/finance/capital/index.htm>

Line 16 asks whether the authority relied on that announcement to exclude the whole or part of an allowance for impairment from the budget calculations for 2009-10. You may answer "no" to this question either because you don't have any impaired investments or because you have but have decided not to exclude the whole or part of an allowance for impairment from the budget calculations for 2009-10.

Where the budget calculation includes an allowance for impairment, **line 17** asks for the amount of principal of the investment in respect of which the allowance was made (i.e. not the amount of the allowance). The terms of the proposed regulation mean that the impact of lost interest will not be deferred; this should be ignored for the purposes of completing line 17. A figure should be entered in response to line 17 only if the authority has not taken maximum advantage of the proposed regulation for all its investments affected by impairments.

Example

If an investment of £10m is the subject of an impairment event, and the authority estimates that an impairment of £4m will need to be recognised in the accounts but decides to defer only £1m (25%) of that amount leaving £3m (75%) to be allowed for in the budget, the figure to be entered in answer to line 24 would be £7.5m (75% of the £10m principal).

RESERVES

Lines 18 to 23 should be completed for all columns (i) to (vi).

Column (i): should be completed for the core Greater London Authority including any budget requirements for the Olympics and the Mayor.

Column (ii): should be completed for Transport for London.

Column (iii): should be completed for the London Development Agency.

Column (iv): should be completed for the London Fire and Emergency Planning Authority.

Column (v): should be completed for the Metropolitan Police Authority.

Column (vi): the total of columns (i) to (v).

General note on Reserves: The amounts given in lines 18 and 19 should reflect the estimated position at 1 April 2009 **BEFORE** appropriations or transfers to/from other authorities. They should **INCLUDE** all the General Fund reserves of the Greater London Authority including former special and capital funds. They should **EXCLUDE** pension fund reserves, unused usable capital receipts, provisions, and trust fund balances. Amounts held in pensions reserves introduced in relation to FRS17 should also be **EXCLUDED**.

Line 18: this should **INCLUDE** General Fund balances and reserves which have **NOT** been earmarked, although reserves which have been earmarked for future Council Tax reduction or budget support should be **INCLUDED**. The amounts should be shown to the nearest £.

Line 19: this should **INCLUDE** only amounts, which have been contributed from the General Fund and have been earmarked for particular purposes eg. for insurance or capital purposes. It should **EXCLUDE** amounts earmarked for future Council Tax reduction or budget support held in these reserves and unapplied capital receipts held in these. The amounts should be shown to the nearest £.

Line 20: the aggregate of appropriations from/to unallocated financial reserves to/from Revenue Accounts of the General City Fund as taken into account in the calculation of the Budget Requirement for 2009-10. The amounts should be shown to the nearest £.

Line 21: the aggregate of appropriations from/to earmarked financial reserves to/from Revenue Accounts of the General City Fund as taken into account in the calculation of the Budget Requirement for 2009-10. The amounts should be shown to the nearest £.

Line 22: the estimated unallocated revenue reserves at 31 March 2010, calculated as lines 18 + 20. The amounts should be shown to the nearest £.

Line 23: the estimated earmarked revenue reserves at 31 March 2010, calculated as lines 19 + 21. The amounts should be shown to the nearest £.

Annex A: Enter in column 2 the council tax requirement from each billing authority, which is the amount stated in the precept in accordance with section 40(2)(b) of the Local Government Finance Act 1992 as the amounts payable for 2009-10. The amounts should be shown to the nearest £. The figures given in the total line should be the sum of these amounts.

Enter in column 3 the GLA's share of each billing authority's estimated Collection Fund deficit (+) or surplus (-) for 2008-09. The amounts should be shown to the nearest £. The figure given in the total line should equal the sum of these amounts.

Communities and Local Government
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