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Title: GLA Budget 2021-22 Consultation

Executive Summary

At the Budget and Performance Committee meeting on 19 March 2021 the Committee resolved that:

Authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree a response to the letter received from the Mayor regarding the Committee's submission to the Mayor's 2021-22 GLA Group Budget consultation.

Following the meeting, the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, agreed a response to the letter received from the Mayor regarding the Committee's submission to the Mayor's 2021-22 GLA Group Budget consultation, as attached at Appendix 1.

Decision

That the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, agree a response to the letter received from the Mayor regarding the Committee's submission to the Mayor's 2021-22 GLA Group Budget consultation, as attached at **Appendix 1**.

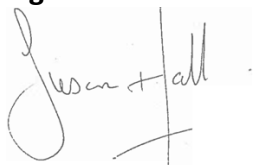
Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature

Date 24 March 2021



Printed Name

Susan Hall AM (Chairman, Budget and Performance Committee)

Decision by an Assembly Member under Delegated Authority

Notes:

1. *The Lead Officer should prepare this form for signature by relevant Members of the Assembly to record any instance where the Member proposes to take action under a specific delegated authority. The purpose of the form is to record the advice received from officers, and the decision made.*
2. **The 'background' section (below) should be used to include an indication as to whether the information contained in / referred to in this Form should be considered as exempt under the Freedom of Information Act 2000 (FoIA), or the Environmental Information Regulations 2004 (EIR). If so, the specimen Annexe (attached below) should be used. If this form does deal with exempt information, you must submit both parts of this form for approval together.**

Background and proposed next steps:

The GLA Act requires the Mayor to consult the Assembly on his initial GLA budget plans for the next financial year before going out to consultation on his GLA Group budget plans. The Mayor published his consultation budget for 2021-21 on 15 December 2021. The deadline for submissions was 15 January 2021.

In order to scrutinise the Mayor's draft budget, the Committee held a series of public meetings with the functional bodies concluding with a meeting with the Mayor of London on 5 January 2021.

Following the meeting, the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, agreed a response to the Mayor's 2021-22 GLA Group Budget consultation, as noted by the Committee on 19 March 2021. The Committee also noted the response of the Mayor to that consultation submission, as received on the 24 February 2021. At that meeting the Committee then resolved that:

Authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree a response to the letter received from the Mayor regarding the Committee's submission to the Mayor's 2021-22 GLA Group Budget consultation.

Following the meeting, the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, agreed a response to the letter received from the Mayor regarding the Committee's submission to the Mayor's 2021-22 GLA Group Budget consultation, as attached at Appendix 1.

Confirmation that appropriate delegated authority exists for this decision

Signed by Committee

Services

Date 19 March 2021

F.BYWATERS

Print Name: Fiona Bywaters

Tel: 07825 028 318

Financial implications NOT REQUIRED

NOTE: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signed by Finance Date

Print Name Tel:

Legal implications

The Chairman of the Budget and Performance Committee has the power to make the decision set out in this report.

Signed by Legal  Date 19 March 2021

Print Name Emma Strain, Monitoring Officer Tel: X 4399

Supporting detail/List of Consultees:

Len Duvall AM (Deputy Chair), Sian Berry AM, Caroline Pidgeon MBE AM

Public Access to Information

Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred?

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form - NO

Lead Officer/Author

Signed G BRAND Date 24 March 2021

Print Name **Gino Brand** Tel: x 07511 213765

Job Title

Countersigned by Date
Executive Director *E. Williams* 24.03.21

Print Name **Ed Williams** Tel: X4399

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Susan Hall AM
Chair of the Budget and Performance Committee

Sadiq Khan

Mayor of London

City Hall

(Sent by email)

24 March 2021

Dear Mr Mayor,

Re: Budget and Performance Committee report

Thank you for your response to the Budget and Performance Committee's report outlining recommendations to your Draft Consultation Budget 2021-22. While I appreciate that the budget setting process has been particularly long and stressful for all of us this year, I note that this response was received on the evening of 24 February 2021, which did not give us sufficient time to consider your response before the Assembly's consideration of the Final Draft Consolidated budget on 25 February 2021. It would be greatly appreciated if, going forward, a response was delivered in a timely manner to allow the Committee, and the Assembly, to carry out its scrutiny function.

I am pleased to note that you have accepted several of the recommendations outlined in the Committee's report. The remainder of this letter highlights the Committee's concerns around the Final Draft Consolidated Budget 2021-22, particularly where our recommendations have not been accepted.

Transport for London (TfL)

I am delighted to see that TfL has published its Financial Sustainability Plan (FSP), as recommended in our report. I note that the FSP assumes that TfL will generate £500 million in income either from

retaining Vehicle Excise Duty (VED) or from introducing a Greater London Boundary Charge. The document states that TfL is currently examining the feasibility of a boundary charge. I would be grateful if you could confirm whether TfL will indeed be actively pursuing this boundary charge, and if you could share any feasibility work that has been conducted so far alongside an update on the progress made with the Government regarding the retention of VED.

The Committee is also concerned that no date has been confirmed on your pledge to deliver 10,000 homes on TfL land. Your response indicates that this will require further funding from Government. Could you kindly confirm what level of Government funding will be required to deliver these homes.

Greater London Authority: Mayor

In our response to the Draft Consultation Budget 2021-22, the Committee recommended that:

The Mayor should issue a corporately verified assessment of the extent to which Mayoral commitments and GLA initiatives have been delivered in full and on time during this Mayoral term prior to the 2021 GLA pre-election period commencing.

Your response states: *I will gladly provide a report of my achievements for the first four years in office. This is currently being produced by officers and will be published when complete.*

It is important to stress that what we are asking for is a verified assessment of how GLA initiatives have delivered on your Mayoral commitments, during this Mayoral term. This is important for allowing us to provide an objective evaluation of your 'achievements' against the terms on which you were elected against and the commitments which you have made in the period since then. Can you advise us when you expect this document to be available?

London Legacy Development Corporation

In our meeting with you on 5 January 2021, the Committee asked why the costs of the East Bank development had spiralled, increasing from a required £385 million in 2018 to £628 million – an increase of 63 per cent. When questioned on this however, your Chief of Staff, stated that he did not recognise the figures. I can see that in your response to requests for further information from that meeting, also dated 24 February 2021, that you have confirmed that the estimated final cost of the project has risen to £628 million.

Your Chief of Staff said at the 25 February Mayor's Question Time that *"The increase in anticipated costs including risk provision is £114.7 million. The issue that the Chair has is that the previous analysis from the Budget and Performance Committee was comparing apples and oranges. It is a complicated project in terms both of funding sources and of how that is allocated with, for instance, Government funding contributions to the university coming through the GLA books. It is necessary to take care in working out the figures."*

In June 2018, you said that the East Bank development would cost you £385 million. Given this there still remains some confusion around the scale of the increase of the East Bank costs, as your response suggests that it has increased by £137 million since June 2018, from £491 million. The Committee would like to see a breakdown that reconciles your figures of £385 million from your

June 2018 press release and the £491 million quoted in your response as well as the current equivalent to the £385 million figure.

Your response went on to state: *'the bulk of this increase is due to estimated COVID-19 costs and tender prices being higher than budgeted. It is important to note that some of this cost increase will fall to East Bank partners to meet.'* The Committee would like to see a detailed breakdown of these costs, and how much of this cost will be met by partners.

London Fire Commissioner

The Committee requested a breakdown of the tangible benefits that the £7.7 million spend on the transformation programme will have for Londoners and I want to thank you for providing detail on this.

The COVID-19 pandemic has had a significant impact on the Brigade's ability to implement the recommendations outlined in the Grenfell Tower Inquiry Phase 1 report, and while some progress has been made, as the recent HMICFRS report highlights, there is significant work that remains to be done. The Committee asks that the LFC will be given the resources, funding and support necessary, not just to implement the recommendations of the Grenfell phase 1 report, but also the potential new responsibilities and requirements that will be placed on it from the current Fire Safety Bill when it becomes law..

Mayor's Office for Policing and Crime

The Committee recommended that: **MOPAC should base its draft 2021-22 Budget on realistic funding expectations**

Your response states: *'The impact of the resulting underlying budget shortfall – were sufficient additional funding for the full 6,000 officers not to be received from the Home Office in 2022-23 – is addressed in the budget documents.'*

However, the Final Draft Consolidated budget 2021-22 states: *'the 2022-23 planned budget includes a gap of £194.1 million arising from the Commissioner's judgement that London requires a total of 6,000 additional officers from the national Police Officer Uplift programme. This would require an additional 3,261 officers to be funded by the Government in 2022-23, but they are yet to announce what funding they will provide.'*

Neither your response, nor the Final Draft Consolidated Budget 2021-22 addresses the Committee's concern that MOPAC are continuing to budget for officers which, though the Commissioner of the Metropolitan Police Service has stated is what London needs, funding at this level has not been agreed with Government. This is leading to significant budget gaps in the coming years. While the Assembly fully supports the calls for 6,000 additional police officers, I would be grateful if this budget presentation issue could be addressed. The budget proposals should not be used as a way to lobby Government for additional funding. The information included in the budget should be the best and most accurate available at the time of publication. If the policing budget cannot be balanced as a result of this approach this will inevitably compromise the safety and security of Londoners.

Old Oak and Park Royal Development Corporation

The Committee's recommendation states: **In June 2016 the Mayor of London commissioned the GLA to undertake a review of the strategic direction and work programme of the OPDC. Given recent events, the Mayor should talk to the boroughs involved and consider a review examining if the OPDC should continue in its current form.**

Your response states: *'I see no reason to undertake a formal review of OPDC. Doing so would only serve to distract the Corporation from its current priorities, and undermine the confidence of potential investors, partners and the Government at a time when we need a clear focus on finalising the revised Local Plan and securing the land and infrastructure funding required to drive forward the vast potential of this, London's largest Opportunity Area. Now, with construction of the HS2 station finally underway, would be the worst possible time to pause, delay and potentially jeopardise this incredibly important opportunity.'*

It is not the intention of the Committee to jeopardise opportunities. It is, as you know, our statutory obligation to hold the mayoralty to account and ensure that Londoners receive value for money. The Committee is concerned that after having to hand back a £250 million grant to the Government and despite being told by the Planning Inspectorate that only 14,200 of the originally planned 25,000 new homes were viable, the OPDC's targets in its revised local plan remain unchanged. A review, to consider delivery mechanisms would seem a prudent and sensible idea to ensure that money is being well spent.

I look forward to your response.

Yours,

A handwritten signature in blue ink that reads "Susan Hall". The signature is written in a cursive style with a large initial 'S' and a long horizontal stroke at the end.

Susan Hall AM
Chair of the Budget and Performance Committee