

London Assembly Plenary Meeting – Wednesday 27 January 2021

Transcript of Item 3c – Questions to the Mayor of London’s Draft Consolidated Budget Proposals 2021/22

Navin Shah AM (Chair): We now move on to the questions to the Mayor on his Draft Budget proposals. The Assembly will now put questions to the Mayor on the seven sections of the Budget, section by section, in the order set out in the Budget document, starting with the Mayor’s section of the Budget. The first question on this section will come from Assembly Member Hall.

Susan Hall AM: Mr Mayor, can you say more precisely when you might be able to confirm details of programme or unit budgets, and identify the expected £27 million of programme savings within the GLA Mayor’s Budget?

Sadiq Khan (Mayor of London): We definitely hope to provide further detail in the course of the next six weeks. I am happy to have the statutory Chief Financial Officer (CFO) explain the particular challenges this year. Some of your comments in your opening were fair comments about the frustrations you have about us having to finish the numbers. We are equally frustrated we cannot give more details about where we will be required to make the savings. That is basically because we are not yet aware of the amount of monies councils will be able to draw in from council tax payers. Similarly, we are not aware fully of the business rates position.

The further complication is that we have good intel from council CFOs about an expectation that the Valuation Office may well be revaluing some of the office business rates, in particular. That is a big issue in relation to the monies we can spend. So far, as you know, in the GLA Mayor’s part of the Budget we have to make 22% cuts in total, around £38 million of the GLA Mayor’s section. We have already identified some of those savings, as you recognised, which was a very fair point in your question. The other side we are working on at the moment, the Chief of Staff, the CFO with the Chief Officer, in relation to where the further savings will come. In the course of the next six weeks you will be in a better position to know exactly where they are.

Susan Hall AM: Does that mean that when the Final Consolidated Budget comes to the GLA in February, it will not contain those savings figures?

Sadiq Khan (Mayor of London): With your permission, can I bring in David Gallie to explain the timelines? It is important that you are sighted of this as a Committee.

Susan Hall AM: If he could be brief, because obviously we are on a very short time here.

David Gallie (Executive Director of Resources, Greater London Authority): As the Mayor says, we are very much in exceptional times. In particular, the degree of volatility on council tax and business rates does mean that very small changes, for instance a 1% change in the council tax base, leads to over a £10 million change in our funding assumptions. Also, although we await the billing authority returns, we will still have uncertainty going through into future years, not just within 2021/22. However, there are, as the Mayor says, some straws in the wind that we have in advance of the statutory returns from the boroughs at the end of the month.

Therefore, I think it would be fair to say we are expecting there to be some better news on council tax. The exact detail remains to be seen, but there will be some choices that the Mayor will need to make in his final Budget around allocating potentially higher levels of council tax. As he says, on business rates we are very much still in the hands of the degree of uncertainty about the potential office revaluation downwards, and the scale of reductions could be up to 25%. Therefore, there will be big issues around the extent to which our returns may be higher than anticipated on business rates but the --

Susan Hall AM: Mr Gallie, I am cutting you off and I do apologise. It is purely for time's sake. It sounds to me like there is a real danger that in February [2021] we will not have the proper figures. I do understand why, Mr Mayor, I do, but do you think it is acceptable that these savings, when they are announced, will not be subject to proper scrutiny the way these decisions normally are?

Sadiq Khan (Mayor of London): The CFO, who has been here a long time, used the word "exceptional" as well. It is an exceptional year. You will be aware of my frustrations at some of the figures being published quite late from the Government in relation to announcements around police settlement and the like. We are trying to turn things around as quickly as we can. I can tell you from personal experience the Finance Team worked over the Christmas period to make sure you get as much information as you can. It is through no want of trying or effort from the team here, and we will make sure we give you information as soon as we can, because we think scrutiny from you often leads to better decision making from us.

Susan Hall AM: I could not agree with you more on that one. I think that is right. Given that you appreciate our scrutiny and we certainly want to assist with scrutiny, can you agree to come to a meeting further in March in order to talk about any cuts that you might announce, so that we can scrutinise you properly on those amounts of money?

Sadiq Khan (Mayor of London): I am very happy for my Chief of Staff to discuss those with you offline in relation to what we can do to give you the opportunity to scrutinise any plans we have to make further savings as required, or indeed, as David Gallie said, there is a small possibility of doing what we did in previous years where expectations are better than we had envisaged. In either scenario, I would of course want you to have an opportunity to look at that. I will speak to our team and your team to see what options are available.

Susan Hall AM: We would be very grateful. Thank you, I will leave it there.

Navin Shah AM (Chair): Mr Mayor, I have a number of supplementary questions from Assembly Members on this particular section. Can we first invite Assembly Member Duvall?

Len Duvall AM: Given that this Budget is drafted in a context of unprecedented uncertainty for the funding, not just for 2021/22 but I suspect for future years - with the Government unwilling to come forward to provide the financial support in probably three of the core areas of the GLA Budget, from policing, TfL and fire, what impact on uncertainty, not just on this year's Budget, do you see for future years if this continues?

Sadiq Khan (Mayor of London): It is a big problem. You have been doing this for 20 years now and I am sure you agree with David Gallie that this year is exceptional. Never before have we had the challenges we have had this year. You will remember, we have now had a Comprehensive Spending Review, which usually is a three-year review, delayed not for one year but for two and now three, and we have only been given a one-year spending review. That causes big challenges for the MPS and the LFB. TfL, you will remember, is still working on the 2015 deal, which was supposed to have expired some time ago. There are big challenges because we cannot plan forward.

The Chairman of the Budget and Performance Committee alluded to planning for officer numbers. That is a really good example where the Government announced a three-year target of 20,000 officers over three years. We are not told what our portion of that is going to be until late in each year, so how do we plan for estates? How do we plan in relation to how many vehicles we will need, how many lockers we will need, how many tablets we will need, how many uniforms we will have to procure and so forth? Therefore, you can imagine the challenges it has for us in relation to budget setting, but it is very difficult for our Commissioners to plan going forward as well.

I will give you one example that may come up later on in relation to MOPAC. We have had to pause some of our estate sell-off because if we get anywhere near 6,000 officers, it is a different footprint than if we have 30,000 or 31,000 officers. There are real choices being delayed because of that. In relation to TfL, Assembly Member Duvall, many of the capital investments we need to make are being delayed because of the ridiculous position where we are getting six-month deals with the Government, while privatised train operating companies (TOCs) got 18-month deals.

Len Duvall AM: Would you then think that the Government, given the fact that it is adding to the uncertainty in terms of being able to put the detail together, should start to consider multiyear funding deals of percentages to allow us to plan, but equally to allow us to deal with the economic recovery programmes that we need to deliver? There are some issues that we need to remind the Government about. I hope you would agree. You will remind them of what The Rt Hon Robert Jenrick [MP, Secretary of State for Housing, Communities and Local Government] said about the cost of COVID being replaced. That has not materialised in the core areas and it is adding to the issues. Equally, the lack of creativity from the Government relating to funding of services post-pandemic is not helping this situation. What is your plan in raising issues like that back to central Government?

Sadiq Khan (Mayor of London): There is some potential good news, which is that I think everyone agrees that multiyear deals have to be the way forward, from the MPS to the LFB to local authorities, to us, across the country. The advantage of multiyear deals is you can have swings and roundabouts. You can have some years that are better than other years and you can plan prudently. Also you can make sure that you have multiyear agreements with, for example, people that you commission, which means they can plan as well. We are hopeful that going forward the Government will recognise the need for this. In the absence of that, it is the position where you get the Chair of the Budget and Performance Committee - and I do not blame her at all - being frustrated at not being provided with the information that the Committee, not unreasonably, needs to do the proper due diligence that it is required by Londoners to do. It is a frustration that I share.

Len Duvall AM: Thank you.

Navin Shah AM (Chair): Assembly Member Sahota.

Dr Onkar Sahota AM: We have been going through a very difficult time over the last year. You, rightly, are thinking about what happens post-infection and how London recovers, and you have come up with nine recovery missions. How did you prioritise the allocations of funds and what the priorities were for recovery for next year?

Sadiq Khan (Mayor of London): First, the nine missions are not mine. The nine missions are the thoughts of a cross-London piece of work undertaken by not just the GLA and London councils, but civic society, businesses and central Government. We started work some time ago in relation to the transition, but also the recovery. The nine missions were about a plan going forward to make sure that we do not go back to business as usual, but we have a new normal. In short, the funding allocation submissions and foundations have been

determined by the total available funding, less the costs of the core GLA functions, having taken into account the reductions we have already proposed and the commitments we already have.

I will give you one example in relation to adult education. That is one of the core missions in relation to skilling up. We have made sure that the monies we are spending there are focused on that particular mission. Some existing programmes, like adult education, fit into the nine missions. Where something is not a statutory function, where there are not already commitments there, if it is not one of the nine missions, we will not be spending money there going forward.

Dr Onkar Sahota AM: Thank you, Mr Mayor. One of the strengths of London is our communities. Our diversity and the strength of our communities has been tested over the last year, from delivery of food to neighbours who are isolating, who are shielding, to delivering food to foodbanks and also volunteering now in the vaccination centres. One of your missions is to build stronger and better communities. How do you intend to achieve this next year through all of your missions and through all your funding arrangements?

Sadiq Khan (Mayor of London): I echo your thanks to the voluntary and community sector, who have been amazing over the last year, at a time where they have had less money coming in, because there obviously are no fairs taking place, marathons being run, sponsored walks or whatever. They have had less money coming in and have had to use up their reserves, but they have relied on their volunteers to do an amazing job. They are a core part of the London Recovery Board and we want to continue to support them financially. I think about the physical space that we can help provide them with. That is very important. Their ideas are important because they can often reach parts of London that the state, for a variety of reasons, is not reaching. Also, you are right, they manage to represent and reflect the diversity better than the institutions tend to.

The nine recovery missions that you refer to, a lot of them come from ideas from the community and voluntary sector. We will be supporting them in relation to helping them continue to be viable going forward, but also in relation to then spending some of the money that we pool in the centre: GLA, councils, the statutory bodies, the private sector. Often the private sector are asking us to help to get money out, to get support out, and the community and voluntary sector are a crucial ally in getting that out.

Dr Onkar Sahota AM: The COVID-19 pandemic has exposed the inequalities in society. One of the inequalities it has exposed is the digital literacy and the importance of digital literacy in society. I was astonished to know that some children did not have computers to do homework. There are families around that are living in economically unstable environments. One of the missions that you do have is about increasing and delivering digital access for Londoners. How do you intend to achieve that?

Sadiq Khan (Mayor of London): It is an important point you raise, Dr Sahota. You used the phrase digital literacy. It could be digital poverty or digital inequality.

There are three things we are concerned about in relation to digital. One is that some parts of London and some Londoners lack connectivity. We are doing work in relation to more fibre broadband. The second work is in relation to devices, as you said. Many of our children are using their mum or dad's phone to have lessons because they do not have laptops or computers at home to do that. We are looking at laptop provision, tablet recycling schemes and so forth. The third part of inequality comes from the skills, not having the skills to utilise digital access. We are doing work with the Adult Education team around training, education and employment, but also around data and devices as well.

I will give an example in relation to something you know very well. Many general practitioners (GPs) can now see their patients digitally, but not all patients have the devices to take up this opportunity in the absence of

being able to go face to face to see their GP. Because of COVID, that is becoming more and more difficult. That is an example in your area where it will make a big difference. We are hoping to increase digital provision and to have less digital inequality.

Navin Shah AM (Chair): Assembly Member Qureshi.

Murad Qureshi AM: Mr Mayor, can I draw a focus on one of the mayoral bodies, Homes for Londoners? How will your Budget provide homes for all Londoners, both in terms of long-term affordable housing and short-term support to combat homelessness?

Sadiq Khan (Mayor of London): That is an important question, Murad, and thanks for raising this, like you often do at Mayor's Question Time (MQT). You are right that we have to do two things. One is building new homes, genuinely affordable homes, and the second is how we help rough sleepers as well.

The good news is that we have managed to secure an additional deal with the Ministry of Housing, Communities and Local Government (MHCLG), the Government Department. You will remember we first had a programme in 2016 of 90,000 homes. We did another deal with the Government to take it up to 116,000. This new deal of £4 billion is from 2021 to 2026. The Government has given us flexibility to make sure that homes are genuinely affordable, what Londoners need, rather than homes that are not what Londoners need. A big part of that was set out in the prospectuses I published, which the likes of housing associations, councils and other developers are going through now. They will be bidding for the new starts going forward.

A second thing we have to work on, you are right, Murad, is the issue of rough sleeping, particularly at this time of year. We have to get those who are sleeping rough off our streets. We have had, for some time now in City Hall, a principle called In For Good. That means once we have somebody who is seen by us, we want to keep them in for good rather than a revolving door. The good news is that of the people we work with on the streets, roughly speaking, 90% do end up for being in for good because of the support we give them. We work with brilliant charities, councils and others.

We are keen to make more progress, but we still need far more funding from the Government to address that area, because the deal with the Government is around new housing starts. We do not have the right amount of money for housing starts in order to help rough sleeping as well. We continue to lobby the Government for more support. In the meantime, I am afraid, you are still going to see Londoners sleeping rough. My concern is that they could be in for good, with everyone in, if we had the right financial support from the Government, because there is an appetite from London's charity communities, housing experts and councils to support these Londoners, but unfortunately we do not have the financial means to support everyone.

Murad Qureshi AM: Thank you. Can I stick to the homeless funding? In December [2020] you highlighted a £24 million gap in the emergency accommodation funding. Has the Government explained to you why it is not supporting homeless Londoners as they did during the first lockdown?

Sadiq Khan (Mayor of London): It has not. During the first lockdown, because I worked closely with her, Dame Louise Casey [former Head of the Rough Sleeping Taskforce] was helping the Government, and she was a fantastic ally within Government to get us the resources we need. She is no longer doing that job and we do not have the same understanding with the Government of the needs. We have not been given an answer, but it does not make sense because Everyone In worked in spring and summer. People around the world looked at us with envy at how we did it. Yet at this time of year, for some reason, we are not using that same principle.

Murad Qureshi AM: Can I move to support for renters? You have called for an extension of the eviction ban and a two-year rent freeze. What discussions have you had with the Government on these issues and what is your view on the state of play at the moment?

Sadiq Khan (Mayor of London): So far we have had no breakthrough in relation to lobbying the Government about those things. You will be aware it gave a partial change in relation to saying it is going to have no bailiffs taking action during the winter, but still evictions can take place and court orders can be obtained, which is leading to people being made homeless. Secondly, they are still not agreeing to a rent freeze. I accept, by the way, some rents have gone down in London in particular, but that is a short-term decrease. We need to have certainty over the longer term.

Navin Shah AM (Chair): You are right, the only consolation is that rents, certainly in inner London, have gone down.

Can I go back to affordable homes in your Budget? The Government also gave London £4 billion over five years for affordable housing. You have said you need £4.9 billion every year for ten years. What reasons has the Government given you for not providing this funding to support long-term affordable housing?

Sadiq Khan (Mayor of London): None. No reason given. I would remind you that the £4.9 billion per year was not my figure. That was the figure that the taskforce of experts across London came up with to meet London's housing needs. Even the Government accepts we need roughly 100,000 new homes a year. We are nowhere near meeting that. We said we need 65,000. The London Plan has provision for 55,000 new homes a year, but the funding is nowhere near 55,000, let alone 65,000 or 100,000. If the Government is serious about meeting London's housing needs, it has to increase hugely the amount of monies we get each year, but also help us switch some of the housing that has been made for market value to genuinely affordable homes for Londoners.

Murad Qureshi AM: Thank you for covering my questions on housing in the Budget.

Navin Shah AM (Chair): Assembly Member Arnold.

Jennette Arnold OBE AM: On my last Budget Committee meeting, I would like to thank you for all that you have done as London's champion during your administration, but particularly through this most horrendous year. As ever, I am batting for young Londoners; you are used to this now. Can you say how you have used your Adult Education Budget to provide a new deal for young people in helping them through this most horrendous time?

Sadiq Khan (Mayor of London): Chair, can I, through you, thank Assembly Member Arnold for her advocacy and championing for young people, who are often the most vulnerable without a voice?

It is an important point you raise because one of the challenges I gave myself is that now the Government has devolved to us and trusted us with the Adult Education Budget, we have to show the difference we make being in charge of further education (FE), 19-plus. It is for us to show we can make a difference by being in charge of this. We have been working closely with the FE sector, who have been brilliant, in relation to making the funds more flexible to be nimble in meeting the needs of young Londoners now in a pandemic that is leading to a new -- you know these Londoners. It is leading to furloughed Londoners being made unemployed and we have to make sure we avoid mass unemployment by giving them the skills.

We are doing a number of things. FE colleges are targeting support to those Londoners who need retraining, who have been made unemployed recently. All the evidence is that the shorter time somebody is out of work, the more chance you have of getting them back into work. If you allow somebody to be unemployed for a long period of time it makes it more difficult. There needs to be retraining straightaway and also training while people are working, to upskill them. If there is a potential of their job being made redundant or we can give them skills to get a better-paid job, we are going to do that. These are free, by the way. We are also doing free courses for those to get to level 3. Level 3 is basically A-level grade, really important. We are targeting also those Londoners who are black, Asian and minority ethnic (BAME), women Londoners and those who are not in education, employment or training.

We are keen to work with employers. The good news is I went to visit Waltham Forest College before Christmas. That college has pivoted from doing hospitality courses, which, for obvious reasons, do not have jobs around now, to doing more care courses and construction, and they have seen a massive increase in demand for those courses. The college recognises what the market is in London for jobs going forward. I am excited in relation to this area and we can show the difference we can make being in charge of this.

Jennette Arnold OBE AM: Thank you, and do continue that work. No answer needed, but I would ask your officers to look at some work around bridging that gap between 16 to 19, because the attainments gaps there are widening. I know it is not within your purview but your power of influence is massive and you have used it to good cause so far. Please do continue. Thank you.

Navin Shah AM (Chair): Assembly Member Cooper.

Léonie Cooper AM: Mr Mayor, could we talk a bit about how we recover and the Green New Deal and London's green economy? Can I echo some of what Assembly Member Arnold was just saying? This has been an area you have worked very hard on, particularly in terms of air quality, but also meeting the climate emergency.

One of the things that you have done is taken a cautious approach, but at the same time you have moved forward on London Power, with the backing behind it of Octopus Energy, which, in the light of more recent developments, shows that that was a good place to start. Could you say what the challenges have been in building up London's green economy in order to build back better, and how your Budget is addressing these challenges, with particular reference to London Power and how that is going? I know it is hard because of the pandemic.

Sadiq Khan (Mayor of London): First, can I thank you, because there are some members of the Assembly - and I talk about the Green Party - who are critical of us for going down the route of London Power? They were saying we should have a fully licensed energy company, as was done in Nottingham and Bristol. Had we followed the advice of the Green Party, we would now be in serious debt, having lost tens of millions of pounds, as Bristol has done and as Nottingham has done. I want to thank you, because you were Chair of the Committee at the time, for being robust in pushing back against the Green Party and going for the model we have with London Power, which means we get the best of both worlds. We do not have to incur the losses that the company incurred but we have the benefits of more and more Londoners being able to use renewables and other environmentally friendly energy sources, but also making savings to their bills as well.

You are right, the plans we had have not reached where we would like them to have reached, for obvious reasons of the pandemic and London Power. We have not been spending the money on marketing we would have liked. The good news is I can confirm that already the average London Power household over the last year has saved 963 kilograms of carbon dioxide (CO₂) per year and the customers on the cheapest tariff are

saving £304 a year on average. We continue to make progress there, and there are more options now available to London Power customers as well.

Léonie Cooper AM: That is fantastic. You have also been working a lot on supporting community energy groups, which is one of the interesting areas in a network of smaller organisations across London that are also able to massively contribute to that reduction to the CO₂ emissions that you have just talked about that London Power provides. Could you say a bit more about that and why you have still continued to prioritise these areas at the centre of your Budget, which you clearly have?

Sadiq Khan (Mayor of London): It has to be the way forward. When you think about the new normal, “building back better”, it is really important that we do not revert to business as usual. Dr Sahota referred to this in relation to the nine missions, which you are well versed in. One of the reasons why the green economy is front and centre of this is to make sure we can use the opportunity - I hate to use that word when it comes to a pandemic - provided by the pandemic to make sure we made some changes. We have to get communities involved. You have seen the experiences. There was one in Islington, community energy, which the council has done really well using waste and heat going forward. We are looking at pioneering Tube heat from there as well. We are keen to help communities build up potential supplies going forward.

The other thing that you were lobbying me for - and Heidi Alexander [Deputy Mayor for Transport] has run with this - is using the procurement power of TfL around power purchase agreements so we can scale up in relation to our ability to buy in renewable energies that can be used across London.

Léonie Cooper AM: That sounds great. We have had some support coming in from Europe in the past into some of the budgets that we have been able to use for the environmental projects. You were talking earlier on about the problem with not having multiyear settlements, and lack of knowledge of what is happening across the piece. Do you think there is more that the Government could say and do to support this essential work of decarbonising London’s energy supplies - I am just focusing here on that - or any other aspect of our environmental work? What more could the Government do?

Sadiq Khan (Mayor of London): The 26th United Nations Climate Change Conference (COP26) happening this year in our country is exciting. I am pleased that Alok Sharma [MP] is now doing COP26 full time. That is important. You have to do it full time. It bodes well that President [Joe] Biden [United States of America] has appointed John Kerry to be his climate change envoy and working on COP26. That provides some good opportunities. I had a meeting last week with businesses across London, and the business community is excited about green jobs, green technology and the green economy. I spoke to the new Leader of Southwark Council. He is excited about small businesses in Southwark who are doing this work.

The Government can use London’s skills, our expertise and experience, as a way to leverage investment from around the world. I want COP26 to showcase not just our country, but also showcase London and the power of cities and communities to make a contribution towards the Paris target, and we will see what the Glasgow target is as well. I see this as teamwork. We are on the same side, the Government, us, local councils, local communities and businesses. When you think about the future of our city going forward, I do not want to be a deregulated Singapore-on-Thames. I want us to have high-skilled, well-paid, 21st century jobs. This is a potential opportunity where we and the Government can work together. There is no ulterior motive. It is about creating good jobs that at the same time save the planet.

Léonie Cooper AM: Thank you very much, Mr Mayor. Hopefully it will do something to address the appalling unemployment figures that we started out at the beginning with the Chair referring to.

Navin Shah AM (Chair): Assembly Member Berry.

Siân Berry AM: Thank you very much Chair, and thank you, Mr Mayor, for presenting your Budget to us. You talked earlier about increasing council tax in the way that you have proposed. I want to say, before I ask my question, that my Group does support you on the necessity of that. You will see in our amendment later on that we even want to go a little further.

When you were talking earlier with David Gallie, you talked about potentially some better news on the current year's council tax collection fund. There is a need for more investment to address youth homelessness specifically. We have heard in the Assembly from councils that a pan-London approach is needed, and we have heard from charities that there are not enough dedicated bed spaces for young people and a big rise in young people rough sleeping.

My pitch to you today - I know you never talk about spending money you do not have, at this meeting in January - is: will you ensure that any additional 2021/22 collection surplus that may come through, compared with our estimates today, is put into our crisis of youth homelessness? Can you confirm that you will take this away and consider it for your final Budget?

Sadiq Khan (Mayor of London): I know you have always agreed with me that council tax is regressive but you know that is inevitable because of the Government cuts and we sometimes have no choice but to go there. What David Gallie was alluding to was not a windfall, but was in relation to the number of households we thought may no longer be paying council tax may not be as bad as thought, because of the furlough scheme, but that is just a one-year issue.

We have a number of priorities. In my opening you would have heard me say my priority is the safety of Londoners, but also ameliorating some of the cuts we have to make. Dealing with rough sleeping and homelessness is a big priority for me. You know this. You also know my focus this winter has been around young rough sleepers in particular, dealing with some of our partners there. Of course I will take away your representations, as I always do, and put it into the mix if there is a possibility of any good news, and factor that in.

Navin Shah AM (Chair): Assembly Member Russell.

Caroline Russell AM: I would like to briefly address a question to the Mayor. It is now more than two years since this Assembly unanimously supported a motion declaring a climate emergency and asked you for further ambitious steps and specific emergency plans with the actions needed to make London carbon-neutral by 2030. Will you fund updating the evidence and models that the GLA holds, specifically the Zero Carbon Pathways Tool, so that London local authorities have the tools to lobby the Government for what they need to meet their 2030 commitments?

Sadiq Khan (Mayor of London): As you will be aware, because we have rehearsed this point before, we have a limited amount of powers and resources to meet the objectives of reducing carbon in London - 50% of the powers and resources we need - and we are going as far as we can to those powers and resources. You will also be aware of lobbying to the Government. We in this meeting may well be discussing redundancies --

Caroline Russell AM: Mr Mayor, you told me this work was taking place when I asked you about it in January 2019. I have been constantly checking on the website to see if the pathways tool has been updated. It has not been yet. I am just after a date. When will it be updated?

Sadiq Khan (Mayor of London): To be fair, your previous question was after additional expenditure, not a date. I am happy to write, Chair, to the Member to let her know what the officers are planning in relation to a date. That is a different question to the first one.

Navin Shah AM (Chair): Assembly Member Bailey.

Shaun Bailey AM: Good morning, Mr Mayor. Thank you for your Budget presentation. Mr Mayor, do you think you have stuck to your commitment to keep council tax as low as possible?

Sadiq Khan (Mayor of London): I think we have, in the context of the huge cuts the Government is making, but also the demands the Government is making. The Home Secretary is quite clear that Police and Crime Commissioners should be raising the police precept by the maximum of £15.

There is also a precedent whereby if we do not raise it by the maximum amount, we get cuts the following year. I know this because the first year I was Mayor, London lost out on money because then Home Secretary, Amber Rudd, told me that she could not give me the monies we were entitled to because in the previous year the previous Mayor had not raised the council tax by the amount he was supposed to. Therefore, for the police precept we have no choice but to raise it to £15, which is important because I care about keeping our city safe and addressing the issue of violent crime. I mentioned in my opening the calamitous decision made by the previous Government in 2010, on advice received from advisers in Downing Street, to make big cuts to police and youth services. We are trying to rectify those areas.

In relation to the LFB, I am also trying to learn to the lessons from the previous Mayor, who closed down fire stations, cut fire engines and cut firefighters in our city. We have seen the legacy in the last few years. I do not want to make any cuts to the LFB and I am afraid, because the Government does not fund the LFB the amount of money they should, we are about £20 million short and we have to increase the precept of council tax to help pay for the LFB. It is more important now in the post-Grenfell landscape with the built environment not being as safe.

The third part of the reason for the council tax increase is the demand from the Secretary of State for Transport [The Rt Honourable Grant Shapps]. If we want to keep free travel for under-18s in London, if we want to keep free travel for over-60s in London, there are two choices. Choice A is to do what the Government and its supporters want to do, which is to cut those. The second choice is to do what I am doing, which is the Government forcing us down the road of council tax to pay for free travel for under-18s or concessionary fares for over-60s. I am afraid, because of those reasons, we have no choice but to increase a regressive tax, which we have done under my proposals, to £2.63 a month.

Shaun Bailey AM: You are certainly right that we face unprecedented times in London and so does the Government as well, but some of the decisions you have made to raise money could have been done through savings, or you could have found other ways to raise revenue. My question to you is do you feel like you have turned over every stone? For instance, if you look at some of the payments you have made at TfL, there has been a £58 million rise in executive pay. Were those decisions helpful in keeping council tax low for Londoners?

Sadiq Khan (Mayor of London): Chair, I am grateful for Assembly Member Bailey giving me the opportunity to talk about the TfL changes we have made since I became Mayor. When I became Mayor, we had TfL that was bloated, in relation to particularly those on higher salaries. I have frozen the salary of the Commissioner since 2016. The new Commissioner I appointed has the same salary as the old Commissioner in 2016.

We have reduced the number of staff receiving £100,000 or more and we have reduced non-permanent employment by 58%. We have reduced the number of offices TfL has, which is saving huge amounts of money. Since I have been Mayor we have, for the first time in the history of TfL, formed in 2000, been reducing year on year, on a like-for-like basis, the operating costs. That was never done before and we have turned every stone.

During my tenure we have also managed to reduce the operating deficit of TfL by more than £1 billion. I am proud that TfL is a world-class transport authority, recognised not just by me, but by the fact that somebody who has led transport authorities in New York, in Toronto and in New South Wales applied to be the Commissioner of TfL [Andy Byford] and was appointed by me to take on that job.

Shaun Bailey AM: Thank you for your answer, Mr Mayor, but it does not address the fact that if you push through your latest council tax hike, you will have raised council tax by 30% across your term. You will be charging Londoners nearly £90 more, yet there is nothing to show for it. London is no safer; the transport system does not work any better; and you have made decisions that have cost Londoners, where you could have made savings to keep council tax down.

Sadiq Khan (Mayor of London): Chair, it is not possible to have an intelligent, grown-up conversation when people throw about fake figures. The way debate and this session works is by asking a question based upon facts and I can respond. I am not sure how to respond to a polemic full of lies.

Shaun Bailey AM: Chair, I am not sure why the Mayor feels he needs to act childishly. Let me ask you a direct question, Mr Mayor. Does it make you feel like a big man when you sit here and hurl around insults when you could just be answering the questions? I am asking you a straight-out fair question about your council tax increase across your term in London. Londoners pay significantly more and I am trying to get to the bottom of that. Chair, I will leave it there because the Mayor has shown that he is unprepared to answer these questions.

Sadiq Khan (Mayor of London): Chair, I am never hugely surprised by Shaun Bailey but he has managed to surprise even me today.

Navin Shah AM (Chair): I think it is time to move on to the next section, which is on the London Assembly Budget. There is a lead off question from me. You have repeatedly stated that the GLA and Mayor's Budget is facing greater cuts in proportionate terms than the Assembly Budget. There are staffing plans currently out for consultation that involve a deletion of one-seventh of all posts in the Assembly secretariat, which will have a very significant impact on the Assembly's ability to fulfil its statutory functions. Can you please tell us what the true value of reduction in posts is for the GLA and Mayor's Budget?

Sadiq Khan (Mayor of London): Yes. I will bring in the Chief of Staff shortly to take you through those figures, but I remind you that the GLA Mayor section of the Budget is asking for a £38 million cut, 22%, and the GLA Assembly part of the Budget is asking for a 70% cut, or £7 million. In the GLA Mayor part of the Budget my income is significantly less than in 2016/17, whereas the Assembly Budget is there or thereabouts.

In relation to the mayoral part of the Budget, it is also worth reminding you that all of the Mayor's Office senior team receive less in salaries than the previous Mayor's senior team. It is not just me taking the 10% pay cut, but the Chief of Staff, Deputy Mayors, Director of Communications and the like. I will bring David Bellamy in to explain to you some of the savings we are going to be making in the GLA Mayor's Budget in relation to the particular point you raised and the timelines in relation to those. Obviously there is some sensitivity because we are talking about our fellow staff here and we do not want to make those announcements publicly

before going through the trade union and staff route. David, would you mind bringing in the latest information?

David Bellamy (Mayor's Chief of Staff): Where we are in terms of the GLA Mayor's Budget is first we have a staffing consultation, which obviously has been completed, regarding reductions in staffing in support functions for the Mayor's Office and the corporate management team. That has resulted in a number of posts being reduced. We are then working through, as Assembly Member Hall discussed earlier, the budget process for GLA Mayor. We have identified £11.5 million of savings in core functions. Some of that will relate to staff in post. We have set out the totals that will be allocated to each recovery mission and foundation.

The work that is going on now, and we had a number of meetings on this just yesterday, is finalising the specific priorities in each of those areas and thus determining what the impact will be on staffing budgets and also on the programme budget. Obviously, it is a complicated exercise for the GLA Mayor's Budget because it is funded significantly through third parties. Posts that are funded by external funding, such as the Adult Education Budget and staffing there, are ring-fenced and cannot be touched. We are working through that exercise. I know the Chief Officer's intention is that the final Draft Budget for the GLA Mayor component will set out precisely what the proposals are there. Obviously, as the Mayor says, this has to be done in a way that is compatible with our obligations to staff and trade unions because it is, on all parts of the GLA, a very sad and regrettable situation we find ourselves in.

Navin Shah AM (Chair): Thank you very much. I may have some supplementaries but I will write to you, Mr Mayor, in due course on that.

I have not had any indication from any other Assembly Members to speak on this section, so we can move on to the third section, which is the budget related to MOPAC. We have a lead off question from Assembly Member Kurten.

David Kurten AM: In your budget for police and crime, your budget for the revenue part is going up by 3%. That is understandable because you are getting 1,344 extra police officers. But your capital budget is going up by 15%, by £51 million. Can you explain the large increase in the capital budget for MOPAC?

Sadiq Khan (Mayor of London): Yes, I can bring in the Chief of Staff shortly. In relation to capital, I would remind you that we only receive £3.3 million from the Government for capital and our expenditure over the next year is about £363 million on capital. David [Bellamy] will have the exact figure. Therefore, we are having to use some of the proceeds of sales of estates to pay for some of the capital work going forward and it is a bit concerning in relation to how we pay for capital. David, can you talk to the percentage figures that David Kurten is referring to, please?

David Bellamy (Mayor's Chief of Staff): Certainly. The detail is set out at table 2, appendix B of part 2 of the Budget. There are three significant increases in capital expenditure. The first is on counterterrorism expenditure, which clearly is not something we would discuss publicly. The second is on digital policing. We are at a key stage now of addressing some of the decades-old systems the MPS relies on, both for command and control and also for the intelligence that the MPS gathers, which at the moment is split across a number of different old systems. There is major investment into the MPS transformation programme to replace these archaic systems. I know that there was an attempt under the previous Mayor to do so around command and control, which failed, but fortunately this is now going much better. That is a key item.

The third, as the Mayor alluded to, is the estate, both in terms of the number of buildings, which frankly are not in a state that MPS officers need or deserve and certainly need to be modernised, and also work related to

the counterterror hub, which is a joint project between us and the Government and is a major refurbishment and facility investment.

David Kurten AM: Mr Mayor, when you talk about disposing of parts of the estate, does that mean closing and selling off police stations?

Sadiq Khan (Mayor of London): Yes and no. It is police buildings. We are not talking about front counters in this context, we are talking about buildings that are no longer fit for purpose, as David Bellamy alluded to. We have some buildings where the roof is leaking and water is coming into offices. If there are buildings that are not fit for purpose, irrespective of how big or small the police service is, they will be sold off and modernised.

In relation to front office counters, there are no plans to reduce them any further than we have. Each borough has one, which is really important going forward. You will be aware there are different ways of reporting crime now so that they are used less, but we still have to keep the presence of each one. This is more about buildings that are not used anymore, and the slight frustration is some buildings we know are not fit for purpose. We can sell them off. Some buildings we need to keep if the police service numbers continue to rise, as they have been doing over the last couple of years. We cannot make a decision yet until we know what is happening in the third year of the three-year announcement from the Government.

David Kurten AM: Obviously, if the police numbers increase, they will need a base to work from. That makes sense.

In the money coming in to pay for MOPAC's budget, you say that three-quarters comes from the Government, but the rest is going to come from council tax and business rates. You have in your Budget £766.8 million from council tax and £27.9 million from business rates. People are struggling with the COVID response and businesses are struggling. What are your contingencies if you do not get the amount of money in you say you want to get from council tax and business rates?

Sadiq Khan (Mayor of London): Yes, that is a really good question. We have, since I have been Mayor, started to build prudently in our reserves. That is because we ought to be conscious about the monies coming in, not expecting it always to come in in the numbers you have had in previous years. We planned prudently in relation to reserves, so even if we were not to receive the monies we would hope to, we are still OK for 2021 in our plans going forward. Clearly, we will continue to try to do what we can to make savings, as we have planned, but you can only spend your reserves while you have them and so we cannot sustain the position indefinitely. That is why it is really important there is a proper recovery, so we can get businesses to start paying business rates again in the sort of levels we need them to.

There are two flies in the ointment. One is the intelligence we have received about the possibility of a revaluation of office premises and the like. That could have a real impact going forward because obviously if properties are revalued, there are less monies over the last year when it is done retrospectively but also going forward. The second thing is we are waiting for a Government business rates revaluation going forward.

My basic rule since I have been Mayor, David, is not to spend one-off monies on recurring things. The previous Chair of the Budget and Performance Committee, Gareth Bacon [MP AM], was very good at reminding us of the importance of only committing to stuff recurring if you have a recurring way coming in. Where there is one-off money coming in, like growth, we have tended to spend it on ad hoc rather than on police officers, which are recurring for obvious reasons.

David Bellamy (Mayor's Chief of Staff): It is important to also understand, Chair, that when the billing authorities give us their returns about council tax and business rates - and these are starting to come in to David Gallie's team now - they are then legally bound to give us that amount of money. But then, a year later, when they update those figures and see what actually happened, we may then have to repay it. There is no immediate risk that we would not have the money and be in an immediate crisis. That is why this year the Mayor took some tough decisions in terms of requiring in-year savings from organisations to ensure that we are in a good position next year to cope with the fact that some of the money we have received we expect to have to pay back.

David Kurten AM: I have one final question, which concerns one of the sections which I am interested in. Section 4.32 talks about upgrading the fleet and you say over the next four years, by 2025, the entire support fleet of 800 vehicles will be hybrid and so you are going to upgrade police vehicles. Can you tell me how much you plan to spend on upgrading police vehicles in this financial year, 2021/22?

Sadiq Khan (Mayor of London): Just to reassure you, we are not doing them all at the same time. When contracts come to an end, we will procure new things. Just to reassure you, we are not cancelling any leases we have or stopping using cars in advance of their end-by date. We are making sure that when it comes to procurement, we procure in a hybrid fleet as part of the next contract. Just to reassure you, we are not spending money we do not have unnecessarily, we are making sure we spend it necessarily when it comes to new procurement. David, do you have the in-year costs?

David Bellamy (Mayor's Chief of Staff): The Budget provides for a fleet capital investment of £22.7 million next year, increasing to £23.8 million, £25.1 million and then £22.6 million in subsequent years.

David Kurten AM: OK, thank you.

Navin Shah AM (Chair): Assembly Member McCartney?

Joanne McCartney AM: Thank you, Chair. Mr Mayor, what does the recently announced police funding settlement mean for police officer numbers in London?

Sadiq Khan (Mayor of London): The bad news with the recent announcement - not just that it was late - was that the amount of monies we are receiving is lower than we received in the last year for a similar amount of officers. In macro terms, the Government gave £750 million for 6,000 officers in the previous year and we got 1,369 of those. This year, it has announced the same number of officers, 6,000, but only £400 million and the officers we will be getting out of that is 1,344. We have less money to recruit a similar number of police officers.

We were hoping that over the three years - we are still waiting for the final year - funding will be 8,000 on a macro level, and we are hoping to get a decent number of those. We were hoping to get 2,000, 2,000, 2,000, which would have been easier with the commensurate money. We have not got that so it is a challenge. What it means is that we have to find monies elsewhere for office space, for other consequential costs of new officers, intelligence, forensics, vehicles and detention facilities. There are costs involved, not just the wages and the pension, of taking on new police officers. There are obvious benefits that we all know about.

Joanne McCartney AM: Mr Mayor, it is easy to forget that the police have, over the last few years, had to make £886 million worth of cuts. In fact, they still have to make £133 million worth of cuts over the next couple of years due to the Government's austerity agenda. The extra money for policing is just replacing what has been cut already. I am glad that your Budget so far has provided an extra 1,300 police officers over what

would have otherwise been the case. We have talked before about the fact that London's policing had a capital city function that the Government does not reimburse it for fully. Are those negotiations ongoing and has the Government to date committed to giving London its fair share of that policing funding?

Sadiq Khan (Mayor of London): Just to remind you of two things. One is that the Government has cut across the country 21,000 officers over the last ten years. It is only putting back 20,000 officers and so we will be left with less than we had initially and we are not quite putting back what it took away. Secondly, the National, International and Capital City (NICC) grant should be north of £350 million and we receive less than half of that. The Government's own assessment accepts we do not receive the right amount. We are about £150 million short and we continue to lobby the Government to receive that amount.

Just think about just the last year: the policing of protests, visits from presidents, Extinction Rebellion and so forth. Those pose great challenges for the MPS. Unless the Government gives us the right amount of NICC and also a special grant when it is relevant, we will have to make cuts elsewhere to pay for providing these services. We cannot double up overnight our police officer numbers. It is the same police officers doing other work.

Joanne McCartney AM: Thank you, Mr Mayor.

Navin Shah AM (Chair): Assembly Member Desai?

Unmesh Desai AM: Mr Mayor, I want to ask you specifically about COVID-19 and its impact on MPS finances. What has the impact been and has the Government stepped in to help you address this?

Sadiq Khan (Mayor of London): The cost of COVID to the MPS is around £50 million of additional costs. The Government has reimbursed around £16 million of that, so about £33 million short. It has given us £9.9 million for personal protective equipment (PPE) and it gives us some money for income loss reimbursement. The MPS has spent £33 million on COVID that we have not got back yet from the Government and we really need the Government to reimburse us because if it does not, that has knock-on consequences for other policing across our city.

Unmesh Desai AM: My colleague, Assembly Member Joanne McCartney, has already raised the issue of the NICC grant and the fact that we are being short-changed by the Government by a considerable amount, some £161 million. I know you are lobbying and the Assembly has supported you in your attempts to pressure the Government to address the shortfall. Has the Government given an indication? Are we making any progress? We have been raising this issue now for the last three or four years.

Sadiq Khan (Mayor of London): It is listening; we are having conversations and the door is not shut, but then we need to have some progress here. Just to remind you, we are not getting the right amount of NICC grant, £160 million, but separately often the applications for special grants we make are refused. Some are given permission. We did get some money back for the North Atlantic Treaty Organization (NATO) conference we policed, we do get some money back for the Grenfell fire investigation for the police and we got a proportion of money back for Extinction Rebellion. We did not get the money back that we incurred for the visit from the [former] President of the United States of America [Donald Trump] and we have not got the monies back from a few other things we have had to do over and above normal policing. It is important the Government recognises the unique role of the MPS.

Unmesh Desai AM: Thank you, Mr Mayor. The Assembly will continue to support you in your attempts to get the Government to deal with the shortfall.

Mr Mayor, my second and final question is about the Violence Reduction Unit (VRU). We had concerns at the Budget [and Performance] Committee meeting in January [2021] that the Government has not yet confirmed future funding for the unit. Have you any update on this? How important is it for projects being run by the VRU for the financial stability, multiyear funding, to continue to operate over a number of years?

Sadiq Khan (Mayor of London): One of the reasons I set up England's first VRU was to have a long-term, public health approach to dealing with the issue of violent crime. The good news was that Sajid Javid [MP], the then Home Secretary, was really keen for us to have VRUs across the country, not just London. We are now at the end of January and we have not got any news from the Government about if and how much it will be funding the VRU for the next year. Often - you will be aware of this from your previous life - these community groups need multiyear funding and they need long-term plans, yet they are living literally year by year. How can you, as an organisation, from a zero start, start running things on 6 April when you only receive news you are going to get money at the end of March? That is why it is so important for the Government to let us know how much money we are going to receive next year because we need to know that, sooner rather than later.

Unmesh Desai AM: Thank you, Mr Mayor. Can I thank you and the MPS for everything you are doing to keep Londoners safe?

Sadiq Khan (Mayor of London): Thank you. Thanks, Unmesh.

Navin Shah AM (Chair): I notice Assembly Member Len Duvall seems to have indicated. Do you want to come in, Assembly Member Duvall?

Len Duvall AM: Yes. Thank you very much, Chair. I think it is record amounts of money going into policing, not just police numbers but also, as you mentioned earlier, the public health issue and the VRU, as well as spending in terms of youth prevention issues. What do you say to those people that say you should cut more of other services to fund some of the policing issues? That argument seems to me not to understand the situation we are in at the moment, but what is your take?

Sadiq Khan (Mayor of London): Well, it shows a basic lack of understanding of how our city works and how things are connected. It is all linked and so we need to make sure we try to fill the massive gap left by Government cuts in policing and in youth services, but also we need to have decent recovery. People criticise, for example, my contribution towards London & Partners (L&P). It is really crucial to attract an inward investment, which we need to get new jobs and to get growth. They are going to pay the taxes that pay for the public services. It shows a lack of understanding of how a global city works. We have, over the last four and a half, five years, tried to deal with a number of big issues facing our global city in times that are unprecedented.

You will see that in our nine recovery missions we worked across Government. The fact is that across Government, local councils, civic society, the public sector and the business community, they understand what makes our city tick. It surprises me people in the Assembly do not seem to understand what makes our city tick.

Len Duvall AM: On fair shares for Londoners, you alluded earlier on, and my colleague did, to some of the grants we get from central Government. The 6,000 police officers that we are asking for for London are actually the fair shares that we should get from any national settlement. That is not your number; you have

not plucked that number out of thin air. That is the professionals' number about the policing requirement for London. Is that correct?

Sadiq Khan (Mayor of London): It is partially correct. It is the advice from the Commissioner [of Police for the Metropolis, Dame Cressida Dick DBE QPM] based upon not just what the requirement of London is but actually also a proportionate share of the 20,000 police officers based upon policing across England and Wales.

I will just remind you, Len, that in 2010, when you look at the population of London versus police officers, we had 4.1 police officers for every 1,000 people in London. That was down to 3.3 in 2019. We are trying to get it up, but even with the new officers, even if we get the 6,000 officers we deserve and demand, we will still only be at 3.9 officers per 1,000 population because our population has gone up, crime has become more complex and officer numbers have gone down. That is why the professional advice from the Commissioner, the operational advice, is 6,000 out of the 20,000, which would still take us below what we were in 2010.

Len Duvall AM: Thank you.

Navin Shah AM (Chair): Right. I cannot see any further indication on this particular section. Before we move on to the next section, can we go back to the Assembly section? Assembly Member Boff has a question.

Andrew Boff AM: Thank you. How much is the cut to the operations in the Mayor's Office?

Sadiq Khan (Mayor of London): With your permission, can I bring in the Chief of Staff or the CFO to answer the question?

Andrew Boff AM: Of course.

David Bellamy (Mayor's Chief of Staff): I will give you an answer to that, Assembly Member, just as quickly as I can. I do not have the number on the top of my head. OK, the Budget proposed for the Mayor's Office is £4.3 million for 2021/22. The forecast for this year is £5.9 million.

Andrew Boff AM: Forgive me. You are cutting the amount by what amount?

David Bellamy (Mayor's Chief of Staff): The Budget, section 2 of part 2, the objective analysis: the revised budget, so the budget position for the Mayor's Office, was £5.3 million for 2020/21. The forecast outturn is £5.9 million, which reflects additional temporary staffing required in part to work for the Strategic Coordination Group that had been put under the Mayor's Office within the organisation structure. Then the budget for next year is £4.3 million.

Andrew Boff AM: So the cut is how much?

David Bellamy (Mayor's Chief of Staff): If you are comparing Budget to Budget and we set the COVID stuff aside, that would be £1 million out of £5.3 million, which would be just under 20%.

Andrew Boff AM: A 20% reduction?

David Bellamy (Mayor's Chief of Staff): Just under.

Andrew Boff AM: What is that in money?

David Bellamy (Mayor's Chief of Staff): As I say, the difference between the 2020/21 and the 2021/22 Budgets is £1 million.

Andrew Boff AM: £1 million and that, you reckon, is a 20% reduction?

David Bellamy (Mayor's Chief of Staff): Yes, just under, I think.

Andrew Boff AM: How much of these savings have been achieved by just moving some of the operations to another budget heading?

David Bellamy (Mayor's Chief of Staff): The most significant change is the review that obviously went through the Oversight Committee, of which I believe the Assembly Member is a member, regarding support staff for the Mayor's Office and corporate management team. That function is both reducing in size, as we make it more efficient, and it is moving into the corporate management team.

Andrew Boff AM: How much is the figure?

David Bellamy (Mayor's Chief of Staff): I do not have that number in front of me. I would need to check and write to you.

Andrew Boff AM: Does the reduction that you have mentioned take that into account?

David Bellamy (Mayor's Chief of Staff): Yes, it does.

Andrew Boff AM: I believe the figure was £430,000 of Mayor's Office expenditure just being moved to another department. Is that a familiar figure to you?

David Bellamy (Mayor's Chief of Staff): To be honest, that precise figure is not ringing a bell. I would need to go and check.

Andrew Boff AM: OK. Could you write to me and indicate to me what the actual real reduction is that is happening in the Mayor's Office? At the moment it seems like figures are being achieved by just moving functions to other departments at a time when you are asking other parts of the GLA to take quite substantial cuts.

David Bellamy (Mayor's Chief of Staff): I think it is very important, Assembly Member, to understand our approach to this Budget. It is not just about trying to apply uniform cuts everywhere, because that is not appropriate. There are some statutory functions and statutory costs, and you cannot just apply a uniform cut to them. That is why we are looking at every function by function and deciding where the best opportunities for savings are. It is important to remember - I appreciate there are always politics around the cost of the Mayor's Office - that as the staff survey shows, staff in the Mayor's Office are significantly less able to get their jobs done without working significant extra hours than anywhere else in the organisation. That is something that we have to take into account when we look at these matters and how we can deploy our funding.

Andrew Boff AM: I will not prolong this much longer. I wonder if you could write to me with those figures, how much value has been moved from one department to another and what percentage that represents. I kind of agree with you in the respect that the Mayor earlier emphasised the importance of the scrutiny function

performed by the Assembly, but it appears it is not that important, bearing in mind the weight that the Assembly Budget has had to carry in these economies. If you could write to me, I would appreciate that.

Navin Shah AM (Chair): Let's move on to the section on the London Fire Commissioner budget. The lead-off question is from Assembly Member Russell.

Caroline Russell AM: Thank you, Chair. My brief question is to David Gallie. The Budget and Performance Committee recommended that the London Fire Commissioner should outline a plan for a sustainable long-term financial strategy that is less reliant on drawing down its reserves. I do not want to go into this plan in detail, but will this plan be in the final Budget?

David Gallie (Executive Director of Resources, Greater London Authority): The proposals in front of the Assembly at the moment are ones of a use of reserves, which effectively eliminates the budget flexibility reserve and leads to savings identified of over £8 million in 2023. Clearly, that is a --

Caroline Russell AM: This is a "Yes" or "No" question. Will the plan be in the final Budget?

David Bellamy (Mayor's Chief of Staff): Maybe, Assembly Member, I can help to give a concise answer there. We cannot take any view about long-term funding for the LFB or other organisations when we have no certainty of Government funding beyond March 2022.

Caroline Russell AM: Thank you. I have no further questions.

Navin Shah AM (Chair): OK. We move on to a question from Assembly Member Dismore.

Andrew Dismore AM: Mr Mayor, before I ask my question, I am sure you will join with me in condemning the vicious assault on a firefighter two nights ago. He was doing his duty, attending a fire at a block of flats in Thornton Heath, and we wish him a speedy recovery. Violence towards our emergency service workers cannot be tolerated and those who carry out such attacks must face the full force of the law.

Then down to my question: the London Fire Commissioner's budget has been significantly impacted by the COVID-19 pandemic at a time when the Brigade is stretching itself to deliver the Transformation Plan, as well as responding to the implications of London's built environment, which are coming to the fore. How is your Budget helping the LFB to deliver the Transformation Plan and to keep Londoners safe?

Sadiq Khan (Mayor of London): Firstly, thanks for your comments about the firefighter who was assaulted. We have spoken to the Deputy Commissioner. He thankfully was wearing his helmet at the time, but it is unacceptable and the full force of the law must apply in relation to catching the perpetrator and making sure justice happens.

In relation to the LFB, one of the things that we did is to make sure that the frontline services - the fire service, the MPS - have to face the smallest amount of savings requirements of any of the functional bodies that we have. During the course of the last few weeks, because the Government has said we can pay back over three years any losses in the first year caused by COVID, we have managed to cut by half the savings requirement we are asking the LFB to make. We originally asked them to make £10 million worth of savings and that has been reduced to £5 million worth of savings. They are quite clear it must not have an impact on their response times and they have to make sure they address challenges provided by the transformation caused by Grenfell Tower Phase 1 and the HMICFRS report as well. The [London Fire] Commissioner [Andy Roe] is confident that he can

find the savings he needs to do in the next year, without affecting the fire service's ability to address the many challenges that you have alluded to.

Andrew Dismore AM: Thanks for that. International data on big city fire and rescue services funding show that the LFB is being run on a small percentage of what is allocated to other global cities like New York, Toronto, Singapore, Tokyo and others. Whilst London has the second highest population of these global cities, it receives the lowest funding, just 83 pence per head per year, less than half the average of the £1.76 per head of the other big cities.

We had [The Rt Honourable] Boris Johnson [Prime Minister, former Mayor of London] shut 10 fire stations, axe 14 fire appliances and cut over 500 firefighters' jobs, and given that the Mayer review reported that the LFB should not shoulder any further reductions if it is to have sufficient resources to meet the challenges of the future and to keep Londoners safe - which, of course, was before the pandemic and before Grenfell, both of which have created these significant extra demands - does it concern you that [the rt Honourable] Boris Johnson's Conservative Government has consistently failed to understand the implications for Londoners' safety of running the LFB on a shoestring?

Sadiq Khan (Mayor of London): Yes, I am really worried about the plight faced by our brave firefighters. Another couple of points you omitted to mention in your really good observation about international comparisons is that unlike other cities, we now know that many of our tall buildings are unsafe, the built environment, which is not faced by other global cities across the globe. We have more than double the amount of high-rise buildings than the rest of the country combined, so I am worried in relation to this. We fund from City Hall about £20 million more to our fire service than the Government says we should. That is one of the reasons I built up my budget flexibility reserve, but unless the Government steps in, we will not have the right amount of money to have the right response to safety in this area in London.

Andrew Dismore AM: Thanks for that. You are right because there are currently 625 buildings in London with simultaneous evacuation orders in place. The majority of these, 456, have dangerous cladding and a further 117 have inadequate compartmentation due to the fragmented regulation regime. All of these buildings now need regular inspection and monitoring by the LFB. Do you agree that residents of these buildings have been failed twice by the Conservative Government, firstly by their shoddy, inadequate regulatory regime and, secondly, by the refusal of the Conservative Government fully to fund the LFB so as to enable them to monitor such dangerous buildings without impacting on their other work? How do you think this can be resolved?

Sadiq Khan (Mayor of London): There are a number of things we have to do. I agree with you in relation to the failings of the Government. One is we have to make sure the built environment is safer than it is. It has damaged people, but they have also been let down by the Government not supporting them with remediation of the cladding. You have talked often about the challenges faced by those leaseholders and residents. It has to be rectified so these buildings are safer sooner, which will reduce the anxiety many of these people have. Many of them feel they have properties, an albatross, around their neck. That means that a built environment we could have more confidence in, which takes some of the pressure off our firefighters.

The other part of the equation you did not mention in your question today but you have mentioned before is the additional obligations placed upon our firefighters by the [Fire Safety] Bill going through Parliament, which is not talked about enough by the Government. We have to make sure with additional responsibilities come additional resources, so we can properly fund the fire service.

Navin Shah AM (Chair): OK. I have not been notified of any further interest in this topic so let us move on. The next topic is on the TfL budget. Can we have the lead-off question from [Assembly Member] Dr Moore?

Dr Alison Moore AM: Mr Mayor, as you have rightly said, our city's public transport network is central, not only to the success of our capital, but also the whole country. The Government has only provided funding for TfL up to March 2021. In this exceptionally challenging year, what effect has this uncertainty had on your budget planning process?

Sadiq Khan (Mayor of London): Well, it has had a huge impact on our planning process as far as the Budget is concerned because the uncertainty means we cannot, for example, spend the monies on renewals or enhancements that we need to be doing. You will be aware that the supply chain is very long. Most of it is in the United Kingdom (UK) and they need certainty in relation to what plans we have in the pipeline, forgive the pun, going forward.

We cannot procure, to give you one simple example. We cannot procure the Piccadilly Line trains we need to fully complement the new signalling which we have invested in because we need to have the certainty of funding before we can start those contracts and begin the procurement process. That is just one example in relation to the challenges it brings going forward. It is no way to run a world-class transit authority.

The Government recognises that, because they have given the privatised TOCs 18 months' worth of financial security and certainty, that they give us every six months. We cannot plan properly going forward. We now have a deadline of 22 March [2021] by which we have to reach agreement. There has been no substantive progress made in negotiations and I am worried that this could be a real problem going forward.

Dr Alison Moore AM: Thank you for that. Moving on to the future, as you say for planning, the Government has asked you and I quote, "To produce a single, comprehensive management plan with options as to how a trajectory to financial sustainability could be achieved by as soon as a possible target date for year 2023". What is the Government's response? You have said there has been no negotiation, but what has the Government's response been to the paper you submitted on 11 January?

Sadiq Khan (Mayor of London): Meetings have now begun. Those discussions are beginning, but my worry is they will go to the 11th hour like they always do. They asked us for a plan for financial sustainability. We have to be responsible for our operating expenditure, capital renewals, servicing, debt repayment - they will help towards some capital enhancement, but it is a real challenge.

What the Financial Sustainability Plan set out was a number of options we had, and the Government has as well. I would remind those watching this - you know this - that as far as London is concerned compared to other transit authorities across the globe, we are far more reliant upon fares than anybody else, and for the foreseeable future, the number of passengers we have will be lower than we have had in the past. TfL predicts, on average, about 60% passengers over the next year, and in the following year, 80%. That is a big gap that has to be found from elsewhere. What we should not be doing is cutting services at a time when we should be encouraging social distancing. That is why the Government should be supporting us in the short term to get us over this awful consequence of the pandemic.

Dr Alison Moore AM: Absolutely. Has the Government accepted your proposals for funding free travel for all Londoners aged 18 and under and from 60 to 65?

Sadiq Khan (Mayor of London): It is worth making sure we are clear about this. The Government has said we have to cut free travel for children and concessions for the over 60s. That is their position. I have said no,

and they have said, “We are not going to pay for that”. We normally pay for it ourselves, but it is only because of these extraordinary times that we need some support. It would be incredibly harsh to take away this free concession for these children and their families but also over the 60s.

The only option I have is to raise council tax or to extend an increased Congestion Charge, which I think would be the wrong thing to do. I am afraid I am having to increase council tax by £15 to pay for this. I have no other options. I am sorry to do so, but it is important we continue to provide free travel for these Londoners who need it and should have it.

Dr Alison Moore AM: Thank you very much for that and for such a clear explanation. Finally, what effect, if any, has this new national lockdown had on the TfL budget?

Sadiq Khan (Mayor of London): One of the good things in relation to the deal we had with the Government, and I want to give it credit for this, is that it recognises there has to be some flexibility built into the contracts. For example, if passenger numbers are good and exceed expectations, we should be less reliant upon a government grant. If passenger numbers are below, because of lockdown, then we cannot be expected to find that money elsewhere and the Government will step in.

That flexibility is a sensible way to proceed because a lot of these things are outside our control. We did not decide to have a lockdown, or to have the tiering system, therefore, TfL cannot be held responsible. We are confident that sort of flexibility will be built into any future deals we have with the DfT and Her Majesty’s Government.

Navin Shah AM (Chair): Thank you. I have a few supplementary questions, first from Assembly Member Pidgeon.

Caroline Pidgeon MBE AM: Mr Mayor, I wanted to look at two sources of revenue in your Budget for TfL. I understand there are now many mechanisms in place for information sharing, for cross-border enforcement of driving fines and road charges between Britain and European Union (EU) countries. TfL is now going to face problems collecting the Congestion Charge, the Ultra Low Emission Zone (ULEZ) and penalty charge notices from some motorists. What estimates has TfL built into your Budget for this potential loss of revenue?

Sadiq Khan (Mayor of London): It is a little bit of an unknown in relation to how much we think it is going to be going forward. We are hoping that visitors to our city are good citizens and they will pay up. You are right; there is a charge in relation to the data which needs to, for good citizenship, be actioned. I do not have a figure to hand in relation to what we think it is going to be for 2021/22. You will obviously be aware they will be preventing all travelling. David, can we do a link to Caroline [Pidgeon AM] to make sure we get the figure from TfL?

Caroline Pidgeon MBE AM: When you have the figure, it would be very useful to have. The other area I would like to look at is future funding through road excise duty. There is strong support for it being devolved, Mr Mayor, yet nationally, the total raised by Vehicle Excise Duty (VED) is plummeting with electric vehicles being excluded. Do you accept if VED is devolved as a source of funding for you, it is going to be a rapidly declining source of revenue for TfL and you are going to have to start, in the long-term, thinking about other sustainable forms of funding?

Sadiq Khan (Mayor of London): Yes. I think both you and I agree we would like it to go down, for the reasons you said: either people decide not to have a car, or they have a car that is electric and does not pay VED. But yes, that is one of the medium to long-term challenges.

Our problem in the short term is we do not get any of that. We get a small fraction of that and we are being asked to fill in a big hole. In the short term, which is where we need the real help during this pandemic, that is one way of filling the big gap left. You are spot on. Medium to long term, we should be looking towards not having combustible engines where VED is paid and either move into electric or preferably, if people can - most people cannot but if they can - not be so reliant upon a car.

Caroline Pidgeon MBE AM: Thank you. Looking ahead, trying to think sustainably, in London we have the Congestion Charge, we have the ULEZ and your expanded ULEZ coming in, the Low Emission Zone (LEZ) and soon we are going to have road tolls for some river crossings. Will you consider putting money aside in your Budget to roll these together to look at a sustainable, smart form of road pricing?

Sadiq Khan (Mayor of London): The good news is we do not need to have additional money in the Budget to do so, because we have our team looking at those sorts of things. You will be aware that we have discussed it before in my Transport Strategy. We have provision to continue to explore and look into these sorts of technologies. We have a team that works incredibly hard on this. The good news is we do not have to spend more money doing this, because there is a team already doing this piece of work. We will continue to look at this area. We will continue to look at where other teams are doing it and what we can learn from them.

Our big challenge in the short to medium term is that we have to make the ULEZ extension land properly, because it would be a disaster if it did not land properly. We do not talk about the work that went into ULEZ 1 being a success. There was a huge amount of work and it was a huge success. That is the first priority, making sure that lands. You are right, we have to look into this other stuff, and we are looking into the other options which are not too far away in relation to technology. The good news is the team, the size of the team and the abilities they have are adequate. If there was a need and they said to me, "Listen, Mayor, we need additional resources, we need to expand the team", then, of course, we would look at that as and when.

Caroline Pidgeon MBE AM: Lovely. Moving forward, you have to have a sustainable form of funding that is going to support transport in the city and support your Transport Strategy. Instead of charging people for merely crossing a boundary, looking at charging drivers according to the distance they travelled and their real contribution to congestion and pollution, it seems to me, is the way forward. That is the way forward for our city. I would welcome your commitment to start developing that, because even a report that has just come out from London First whilst we have been in this meeting says this is one of the ways forward in order to sustain TfL in the future.

Sadiq Khan (Mayor of London): Caroline, I cannot think of much difference between us. You are making really good points and I agree with you. That is why I put it in my Mayor's Transport Strategy. It is those metrics, a combination of user pays, polluter pays, rewarding good behaviour and making people whose behaviour is leading to a poor air quality, congestion or whatever, pay extra. We are working on that and I am sure we could arrange, if need be, for a time for the team to do a presentation to you or the Transport Committee about what we have learned so far speaking to colleagues around the world, but also the timelines. The short term has to be landing the extension of ULEZ, the LEZ and trying to get over the pandemic, but it does not mean we do not keep on working on the other stuff.

Caroline Pidgeon MBE AM: Lovely. Thank you very much indeed.

Navin Shah AM (Chair): Assembly Member Berry?

Siân Berry AM: It is good to hear you saying those principles there, and the Greens try to make constructive proposals. That is what we are doing today in our amendment. In this work, we have been looking at ways to raise money for good things – new pedestrian crossings, safer streets – from bad things, people parking and loading illegally, things that make it more dangerous to be walking on our streets.

Looking at your current system of penalty charges, there is still a gap between the upper cost of a penalty charge notice for not paying the Congestion Charge and the charge for illegally stopping on a red route. It is £160 for the upper rate of a Congestion Charge and it is £130 for red route illegal parking. The gap is £30. Why is that gap there?

Sadiq Khan (Mayor of London): I am not sure about the two examples you have given, but some of these penalty charges need Government approval and, in the past, we have tried to get Government permission for them and they have said no. I can look into the reasons for that gap, but I do not have the paper in front of me. Again, I would like to explain which ones we have complete autonomy to increase and which ones we do not and an explanation from the Commissioner of why there is a difference, if that is what you are after.

Siân Berry AM: OK, yes. That was an introductory question. I do have the exchange of letters between you and the Secretary of State for Transport at the time, Chris Grayling [MP]. You tried to increase the regulatory charge in late 2017, getting it ready for January 2018. You made a strong, practical case based on evidence including that the number of repeat offenders was up to 40% and this was knocked back by the Secretary of State, quite unusually intervening and preventing you from doing this. My question now is: have you tried, since then, to go back and increase this again?

Sadiq Khan (Mayor of London): Yes, and the reason I had remembered the exchange was not because I knew the question you were going to ask. We must be doing stuff recently to make me say that. Can I get back to you? We have a good relationship with [The Rt Honourable] Grant Shapps [MP, Secretary of State for Transport] and his team, and we are looking at all possible ways. You are right, it is trying to change behaviour in a way that can lead to the stuff you are talking about. Can I get in touch with you about what we are doing?

Siân Berry AM: Sure.

Sadiq Khan (Mayor of London): As I say, I'll get in touch with [The Rt Honourable] Grant Shapps because there are conversations taking place. I will get back in touch with you, Assembly Member Berry.

Siân Berry AM: Yes, absolutely. Closing this gap was not an option in the independent review of TfL's finances. It is a gap. It is about £10 million a year, we think, so by now we would have had £30 million more. It seems like it is a bit of gap in everyone's thinking right now, but with the change in Government policy towards streets it is probably now the time to make another formal proposal.

Sadiq Khan (Mayor of London): Just in case somebody misinterprets what you and I are saying, none of us wants anybody to incur a fine. We are not saying this because we want necessarily to get more monies in. We are trying to change behaviour --

Siân Berry AM: Yes.

Sadiq Khan (Mayor of London): -- but if it is the case that behaviour is not changed, we should be getting the right amount of fines in.

Siân Berry AM: It needs the right deterrent, that is the point.

Sadiq Khan (Mayor of London): Exactly right.

Siân Berry AM: Yes. To be honest, it would be disingenuous for the Government to refuse you on this again when they are asking you elsewhere to increase fares and increase council tax for everybody. It would be right to keep increasing charges for people who were doing the wrong thing, people who were breaking the law, rather than trying to penalise everybody who is paying their fares, who is using public transport, who is doing the right thing, compared with people who are breaking the law. I hope you will go back to the Government on this and that it will form part of your plans going forward.

Sadiq Khan (Mayor of London): You are pushing an open door. Let me get back in touch with you about what the latest is on that and I will make sure we do that.

Siân Berry AM: OK. Thank you very much. I think that is all of my questions.

Navin Shah AM (Chair): Assembly Member Devenish?

Tony Devenish AM: Good morning, Mr Mayor.

Sadiq Khan (Mayor of London): Good morning, Tony, good morning.

Tony Devenish AM: Will you use this period with many Londoners working from home to allow online public consultations that you have postponed?

Sadiq Khan (Mayor of London): You mean TfL?

Tony Devenish AM: Yes.

Sadiq Khan (Mayor of London): Which ones do you mean?

Tony Devenish AM: There are many of them. The one I am particularly thinking of is your seven days a week, £15-a-day hike on the Congestion Charge.

Sadiq Khan (Mayor of London): OK. Let us go back a step. This is a requirement from the Government for us to receive the grant --

Tony Devenish AM: Mr Mayor, that is not the question. The question is: will you have a public consultation?

Sadiq Khan (Mayor of London): No, because in examining your question, we have ascertained that it is based on a false premise. The false premise is that we have some control over widening and enhancing the £15 Congestion Charge. We did it --

Tony Devenish AM: Mr Mayor, that is not my question. Chair, I am asking a very simple question. Will you give the public the ability to have a public consultation that you legally have to do at some stage? Will you do it now when people are working from home on the whole? Let them have their democratic say on the process.

Sadiq Khan (Mayor of London): TfL will do as it always does, which is consult properly and widely whenever they are required to do so. But, in addition to the consultation they are required to do by statute, they also continue to engage widely as well. That includes not just online engagement and consultation, but other forms as well.

There are some things they are forced to do by this Government, and the Government makes them do these things in return for receiving a grant and to borrow. Those things they are not able to consult on because of the time limits and the time constraints placed on them by the Government. You cannot urgently bring forward plans to widen a Congestion Charge and to increase the levels, and to include the consultations that TfL would normally do. But, if TfL was to make these temporary plans permanent, then they would need to consult and they would consult widely.

Tony Devenish AM: My question was really simple, Chair. He is the Chairman of TfL. He could order a public consultation now to give Londoners their say. Particularly the elderly, the disabled, families, businesses, are really suffering with your extension of the congestion zone. Just give them a say, that is all I am asking. A democratic public consultation.

Navin Shah AM (Chair): Assembly Member Devenish, I believe Mr Mayor did --

Sadiq Khan (Mayor of London): Chair, let me try again. The conditions of the grant approval from the Government in relation to the Congestion Charge - which is the example you chose, not me - was we must urgently introduce the Congestion Charge, which we suspended at £11.50, but we must also widen and enhance the Congestion Charge. There was no time for us to consult Londoners as I would have liked to do so if I was to receive the grant from the Government and the ability to borrow from the Government. That is a temporary measure of £15 a day, seven days a week, required by this Government. I agree it is outrageous what this Government is forcing Londoners to do, including many elderly Londoners you claim to care about.

Tony Devenish AM: Why do you not just answer the question? Chair, he is not going to answer the question, therefore I will leave it there and not waste my group's time. It is an insult to my residents.

Sadiq Khan (Mayor of London): With respect, Chair, I should be entitled to answer the question I was asked.

Tony Devenish AM: You were not answering the question, that is the problem. Public consultation was the question, not the TfL bailout agreement.

Navin Shah AM (Chair): Let me simply rule that there is not going to be an agreement from what we have heard today, as well as before. The Mayor has given his explanation in terms of consultation and engagement of TfL and so on, but obviously that is not quite what satisfies you, Assembly Member Devenish.

I am aware of the time. It is coming up to 11.57am. We need to observe a minute's silence at 12.00pm. Assembly Member Prince, do you want to come in and see if you want to quickly have a go with your question? We have about a minute and a half. Then we can resume again. Assembly Member Prince.

Keith Prince AM: Yes, I doubt I can do it in a minute and a half, Mr Chair, but I am happy to ask the question and then perhaps the Mayor can consider it and answer it after this minute of silence.

Navin Shah AM (Chair): No problem.

Keith Prince AM: Mr Mayor, for the last five years, you have been saying that London is open, which is very commendable, but how does your proposal to introduce a border tax of £3.50 or £5.50, depending on the car's emissions, fit with saying that London is open? How does that affect people who need to come here to work, people who are essential workers, friends and family who need to either look after young children or elderly relatives? This border tax, Mr Mayor, is going to damage London's economy, especially in boroughs such as

mine, Havering and Redbridge. Places like Romford, Bromley, Croydon, are really dependent, and their shopping areas are really dependent, on people coming in from outside. How do you square that off that London is open when you are putting up a border tax?

Navin Shah AM (Chair): May I suggest that we just pause for half a minute or so, as we need to take time out of our Budget discussions? This puts life in perspective in terms of what we are now going to do. Let us observe a minute's silence to mark the Holocaust Memorial Day today and pay our respects. A minute's silence please, thank you.

Thank you very much. Mr Mayor, your response to Assembly Member Prince's question please?

Sadiq Khan (Mayor of London): The Greater London charge is not a proposal from me. It is one of the options that was prepared by the independent panel of experts in relation to future funding of TfL. It was one of the options in the TfL Financial Sustainability Plan. It is not an option that I want to put forward as a proposal, for the obvious reasons that we agreed with last week. If the Government was to give London the amount of monies it raises through VED, TfL would not need to proceed as a proposal with the option, which could not happen anyway until 2023. I am hoping that our cross-party teamwork will persuade the Government to give London the amount of VED they raise in London.

Just to remind colleagues - I know you know this, Keith - this money that the Government takes from London often is set up in pots of funding that other parts of the country can bid for and we cannot, which is rubbing salt in the wound. Often, some of these schemes to improve roads we cannot even apply for. I am hoping that this will never become a proposal because I am hoping that our cross-party teamwork will persuade DfT to give London the amount of money they raise.

Keith Prince AM: OK, but you accept that this charge, if it does come in, would be damaging for the border boroughs?

Sadiq Khan (Mayor of London): I am not sure. One of the things I have asked TfL to do is to look at how this charge would work. There will be all sorts of conversations taking place in relation to pros and cons, as you would expect. One of the big things we are going to do is the damage to our city by having a big black hole in TfL's budget. Dr [Alison] Moore [AM] referred to the contribution transport plays to our businesses being able to contribute net £38 billion towards the Government's coffers. The Government has to recognise that our ability to continue to contribute far more into the country than we take back is contingent upon a well-funded TfL. That is why it is important for us to say to the Government, "If it is the case that you are not going to provide us with the money we need in this term because of COVID, then these are some of the options you have asked us to look at", and that is one of the options.

Keith Prince AM: Obviously, saving money is important. I do not know if you know, Mr Mayor, but yesterday I learned that the cost of the court case that you lost last week, the costs that TfL may have to pay the United Trade Action Group and the Licensed Taxi Drivers Association, is something in the region of £260,000. I do not know if you are able to tell us what TfL's costs are, but I am sure they would be a similar cost. Do you not think, bearing that in mind, Mr Mayor, that you have wasted enough money on this and that you should just suck it up, if you like, and accept that you have lost the case and move on?

Sadiq Khan (Mayor of London): There are a number of points to say in response to that. One is that since I have been Mayor lots of people have brought cases against us, which we have won most of, including those two groups. We can have a debit and balance, if you like, about cases won and cases lost, which I do not think is a sensible way to proceed. I believe the sensible way to proceed is to look at the benefits of the Streetspace

plan, the benefits of some of the active travel plans that we have brought in with the Government and the benefits that brought.

For example, we know the cost to the NHS of poor-quality air is north of £4 billion. We know the cost to London's businesses in relation to lack of productivity because of congestion and air quality is in the billions of pounds. We also know the huge benefits to our economy of London not coming to a gridlock because people revert back to using cars, or use cars more than they did in the past, because of the way our city is placed. The advice I have received is that there are good grounds to challenge the decision of the judge at First Instance. Therefore, TfL will be appealing. We will have to wait and see how that appeal pans out.

Keith Prince AM: You are still going to waste more public money. You are going to throw good public money after bad public money by doing that, Mr Mayor. Can I just move on?

Sadiq Khan (Mayor of London): The NHS is public money and the billions of pounds the NHS spends in looking after people who are unwell because of poor-quality air is public money. The lack of taxes businesses pay because they are not able to be as productive because of congestion, because of staff being off sick because of asthma, heart disease, and other issues, is an issue because the sick pay they receive and the lack of taxes they pay has an impact on public taxes. It is all linked.

Keith Prince AM: Yes, and all the delayed blue-light costs on them.

Sadiq Khan (Mayor of London): What we did is make sure we were able to have active travel across our city because what we cannot afford to do is have one health crisis, a climate health crisis, replaced by another one, an air quality one.

Keith Prince AM: Yes, and all the disabled people who are being inconvenienced and all the blue-light services that are being held up. That is public money as well, Mr Mayor. But obviously there are a number of consequences of this judgment and that is recognised by TfL. Indeed, next week TfL is going to have to give a special briefing to London councils on the consequences and the possible fallout of this judgment. Mr Mayor, in the interests of transparency, would you make that briefing available to the Members of the Transport Committee too, please?

Sadiq Khan (Mayor of London): I am not sure what the briefing is going to be. What I do know is obviously we will not telegraph our legal case to the Court of Appeal. But I am sure, if there is nothing there that affects the case, we can get TfL to speak to the Transport Committee about any issues that affect councils. I do not see any reason at all why they could not brief you in relation to issues they are briefing London Councils about. Can I take that away, Keith, and get back to you on it?

Keith Prince AM: Thank you. That is helpful, thank you.

Navin Shah AM (Chair): Assembly Member Cooper.

Léonie Cooper AM: Thank you, Chair. Mr Mayor, given that money is so tight and the Government is being so unhelpful in terms of the support that it is giving TfL - although it has been very supportive to other transport authorities elsewhere in the country - I just wondered if we could home in on why you feel it is so important to maintain those concessionary fares for under-18s and people over 60. Why is that so important for London to do that?

Sadiq Khan (Mayor of London): Like you, I have met many Londoners below the age of 18 who travel long distances from home to school or home to college. London's education is different to other parts of the country. Often children do not attend their nearest school or nearest college. Children and their parents make decisions based upon receiving free travel. Many parents have more than one child going to various schools and colleges. The cost to them, if they are required to pay for travel now, would be a huge burden on that family's income at a time when incomes are down because of this pandemic. We know that unemployment is only going one way. Therefore it is a real issue.

But also, do we really want parents to be driving their children to school and colleges to save money because they have lost free travel? We have already talked about the issue of air quality and gridlock on our roads.

In relation to over-60s, we know of many, many poor Londoners above the age of 60 who are still working. I also know the difference it makes to their life having free travel above the age of 60.

Apologies for speaking in these terms, but this is a clear dividing line between me and my political opponents. Londoners need to be aware that my political opponents want to take away free travel for under-18s and take away free travel for those above the age of 60. I am keeping it, but the only way I am able to keep it is by having to increase council tax by £15, which again is far less than what my political opponents said that I would be increasing it by. They said by more than 21%. We have managed to keep it to £3 a month. It is a choice I had to make.

I would remind anyone watching that normally we pay for these things ourselves. The only reason we are asking the Government for support, and they have said no, is because of this pandemic. That is why we are having to go to Londoners in the form of council tax to continue these concessions for children and those above the age of 60.

Léonie Cooper AM: Of course, in many boroughs now about 50% of residents do not own vehicles. Therefore it seems very unfair that the Government is not assisting in that way. But even those who do own the vehicles, of course, are contributing VED, which goes out of London and goes off to Highways England and the Government to help people elsewhere. That, again, given the previous Assembly Member's questions, does seem unfair to Londoners.

I just want to briefly touch on one of your big priorities in the Mayor's Transport Strategy. You have just said how important it is to improve people's health. The overall goal to move to 80% active travel and use of public transport, we are still aiming towards that. In your Budget, even though introducing the ULEZ was expensive, you are still aiming towards the introduction of the expanded ULEZ from October 2021. Why is that still a priority, given that money is so tight?

Sadiq Khan (Mayor of London): If I can just remind colleagues, when I became Mayor in 2016 there were no plans for how we would get a ULEZ. Boris Johnson [Prime Minister, former Mayor of London] announced this ULEZ plan for 2021. No plans at all. We managed to bring it in by 2017. It has led to a remarkable transformation of our city. We have seen a reduction in nitrogen oxides of 94%. Schools which were in areas where the air was illegal are now in areas where the air is no longer illegal. Kings College has said we can improve air quality not in 193 years, as would have been the trajectory under the previous Mayor, but in six years.

Those individuals, those numbers, are lives. It means that they do not have stunted lungs, they do not have asthma, heart disease, cancer, or other issues caused by poor-quality air. They are not taking time off work and they can contribute to our city's wellbeing as well as their family's wellbeing.

Also, we cannot, in the 21st century, have reliance on people driving from home to shopping, home to work, home to leisure. You are right, we have gone from 51% to 64%, we are going to get to 80%, through active travel. I appreciate some Members of the Assembly are against people walking, are against people cycling, are against people using affordable public transport, are against children having free travel, are against over-60s having free travel. My job, Chair, over the next 100 days is to remind Londoners of that.

Léonie Cooper AM: Thank you very much, Mr Mayor. I am very glad that your transport budget continues to focus on fairness and health. Thank you, Chair.

Navin Shah AM (Chair): Assembly Member Russell.

Caroline Russell AM: Mr Mayor, you said earlier you are doing all you can to develop smart fare road pricing, which I absolutely welcome, but the gap in this is in having the honest conversation with the public. This is going to cost extra money. We are proposing it in our amendment later, and we think you should add it to what you are already doing. This is a gap, is it not?

Sadiq Khan (Mayor of London): No, it is not. In all honesty, I was the Mayor who had the honest conversation about bringing in the world's first ULEZ. In advance of that, we brought in a charge to make sure the most polluting vehicles paid to come into London. That was an honest conversation that I had. I had honest conversations with Londoners about the need to roll out the ULEZ to the North Circular and the South Circular, honest conversation with Londoners about the importance of doing so. I had the honesty to publish a report into poor air quality buried away by the previous Mayor, which showed more than 500 schools were in areas where the air was unlawful. That is the honesty we talk about. It was honesty that led to me supporting the family looking for a new inquest into the death of their child, which was caused - we think - by air quality, and a coroner has confirmed.

Caroline Russell AM: Mr Mayor, you have used all our time, but I agree it is really important to be speaking with Londoners about this.

Navin Shah AM (Chair): Thank you. I do not see any further indications at all on this particular section. Due to the nature and constraints of virtual meetings, we are at times out of sync in terms of indications, etc. I want to be fair to Members and the issues they want to raise. Therefore I would like to go back to the section on the Fire Commissioner's budget. Assembly Member Boff had, at a very late stage, indicated. If he still wants to ask that question, Assembly Member Boff, over to you.

Andrew Boff AM: Thank you. You rightly highlighted the dire safety challenges because of the high number of residential tower blocks in London. Will you continue to put forward plans that seek to build more of them?

Sadiq Khan (Mayor of London): Chair, he will be aware we discussed this. In London we have world-leading plans in relation to new build and the requirements of a new build, not simply set out in the London Plan but in relation to the obligations that we have in relation to building regulations as well. As far as new build is concerned, there is not a concern there from the LFB because the LFB are involved in some of our plans. The issue is the older buildings that currently exist. Across the country there are 12,000 tall buildings and in London we have 8,000 of those. That is the challenge we have, rather than the new build of tall buildings.

Andrew Boff AM: How successfully have building regulations worked to date?

Sadiq Khan (Mayor of London): This is a new London Plan, new building regulations. For example, the new build, because of our requirements, have things like sprinklers and they have fire lifts and other design

mechanisms that are advised by the fire service to have. In a previous question, Andrew Dismore [AM] talked about the amount of money the fire service receives in London versus other comparable cities which have tall buildings. One of the things we have done is to learn from those cities with tall buildings about how they can ameliorate fires, but also, when there is a fire, to make sure it is compartmentalised. Therefore we are confident that the new safety measures we have in place are world-leading and world-class.

Andrew Boff AM: So you will continue to build them?

Sadiq Khan (Mayor of London): There are no fire safety reasons why we should not continue to make progress, as we have done. That is --

Andrew Boff AM: So you will continue to build them.

Sadiq Khan (Mayor of London): -- on a contingent of the provisions we have put in place over the last few years. Without those provisions, there is a strong argument to reconsider, but because we put these additional provisions in place, which are world-leading -- and, by the way, other parts of the country do not have these provisions. If your question was posed to me if I was Mayor of another part of the country, I may not give the same answer. Because of the provisions we have in place in our plans, I am confident that we are doing all that we can to make our buildings as safe as we possibly can.

Andrew Boff AM: So you will continue to build residential tower blocks. Is that yes or no?

Sadiq Khan (Mayor of London): Chair, as I have explained -- I am not sure if there is a problem with the sound on this thing. As I have explained, we have put a number of policies over the last four years --

Andrew Boff AM: That is fine, you are repeating yourself. The words you did not repeat, Mr Mayor, are yes or no. Yes, you will carry on building residential tower blocks, is that correct?

Navin Shah AM (Chair): We are not getting any further --

Andrew Boff AM: No, no. I know he does not want to say that. Thank you.

Navin Shah AM (Chair): Then let us move on to the next section, which is on the budget for the London Legacy Development Corporation (LLDC). The lead question comes from myself.

The percentage of affordable housing delivered by the LLDC is only 22%, Mr Mayor. How does that align with the target in your new London Plan? What will you do to change the situation to get as close to 50% affordable housing?

Sadiq Khan (Mayor of London): It is really important to explain and understand why there is such a low level of numbers of affordable housing. That is because of the policies of the previous Mayor, which gave permission to units of housing which did not need to be affordable. Even where there were affordable, they were using the dodgy definition of our previous Mayor, homes costing well in excess of hundreds of thousands of pounds to purchase, or 80% of the market value to rent.

Since I have become Mayor, I have made sure, when it comes to land publicly owned across the Olympics legacy, 50% should be genuinely affordable using the tougher definition. Where it is land we do not own, it is 35% across the piece. That has led to a change. Therefore the good news is this is another example of our policies leading to more affordable homes, genuinely affordable to Londoners. But clearly what we cannot do

is go backwards and retrospectively change other permissions granted, or remove those Londoners living in those homes who are in affordable homes.

Navin Shah AM (Chair): Thank you. I have a supplementary question from Assembly Member Devenish.

Tony Devenish AM: Mr Mayor, I think we can agree that every penny of public money needs to be spent well, particularly after COVID. Are you concerned that the LLDC will still be losing £8 million to £10 million a year right through the 2020s, as we have been told at numerous meetings? What can you do to see if it can at least break even in the not-too-distant future, please?

David Bellamy (Mayor's Chief of Staff): Is that a reference to the London Stadium, to be clear, in the question you are asking?

Tony Devenish AM: It is the whole overall budget that they are not going to break even in totality, basically, David.

Sadiq Khan (Mayor of London): I think what David Bellamy was seeking to do, Tony, was to disentangle the information. There are losses attached to a contract signed by the previous Mayor and West Ham United Football Club. That contract was signed by the previous Mayor, not me. That contract has legacies which leads to losses being made. We now have a very good relationship with West Ham and we are seeking to work with them to make the stadium work for West Ham and to work for the general taxpayer as well.

I am afraid, for the short to medium term, there will continue to be losses as far as the stadium is concerned, but you will be aware there are huge benefits to London caused by the LLDC's work in relation to council taxes, in relation to business rates we were not receiving before, and in relation to future projections of receipts we will receive because of East Bank. Therefore, over the course of the coming years, there will be more visitors going to that part of London, more taxes paid and more jobs created.

But I share your frustration at the awful deal done by the previous Mayor and I wish we could undo some of the mess he left.

Tony Devenish AM: I will leave it there, Chair.

Navin Shah AM (Chair): I have Assembly Member Duvall.

Len Duvall AM: Thank you very much, Chair. Mr Mayor, you are right to condemn the legacy that you were left with. I think the insightful appointments of [Sir] Peter Hendy [CBE, Chair of the LLDC] and Lyn Garner [Chief Executive, LLDC] have got to grips with some of those legacy issues and have probably given, not just you, but also a majority of Assembly Members a bit more confidence about what is going on down there.

How important is the East Bank to you and the Government in terms of post economic recovery around 'London is Open', and 'Open for Business'? Can you just give a few words around that?

Sadiq Khan (Mayor of London): This gives me the opportunity to thank the Government. The Government is working with us in partnership in relation to the East Bank. It sees, like we do, the exciting opportunities to regenerate this part of London. Many of us are too young to remember the regeneration of the South Bank in the 1950s and 1960s caused by what we now see as the South Bank. That is the aim we have for the East Bank going forward. The Government is working with us as a partner and a funder.

One of Peter Hendy's roles as Chair is to make sure all the partners on the East Bank, from the University College London to the University of Arts to the Victoria and Albert Museum (V&A), and to many, many others, the BBC, understand our ethos. The key part of the ethos is, Len, to make sure East Londoners benefit from the fruits of the East Bank going forward, students going to the universities, people participating in events at the BBC or the V&A or Sadler's Wells. We are trying to do that with the Government, with our partners, and I am really excited going forward because we will have more footfall, more jobs, more revenues coming in from taxes, and it will be a nice place to go and visit.

Navin Shah AM (Chair): Moving on to the next question, and that is the section on Old Oak and Park Royal Development Corporation (OPDC). Can I have a lead-off question from Assembly Member Hall?

Susan Hall AM: Yes, certainly. I will start off this section, Mr Mayor. Do you have confidence that the OPDC will meet its own deadline of next month to have its local plan in good order?

Sadiq Khan (Mayor of London): For budget performance, the real value added by Members of the Assembly with their expertise, scrutiny does lead to better decision making. What Members probably do not see are the offline conversations that take place that lead to Members of the Assembly making the officers and myself really raise our game on this issue.

In relation to the team in charge of OPDC, I do have full confidence in them. David Lunts [Chief Executive, OPDC] has huge experience and I think his role being made permanent will make a big difference. I think he has brought a huge amount of experience already in this area. The new local plan will be really important in relation to realising our ambition going forward. We now have the certainty with the Old Oak Common Station on High Speed 2 (HS2), which is really exciting.

Just to remind colleagues, the expenditure from the Government on that station is about £1.3 billion. Therefore, what would be awful is if they did this work having this great station and you disembarked and there was nothing really taking place in that part of London. That is why there is a responsibility on us to make sure we do right by HS2 and that part of London by developing and regenerating the Old Oak and Park Royal Development.

Susan Hall AM: I am sure you understand why some of us are very concerned about what is going on with the OPDC. If the OPDC fails in its endeavours, as we have seen before, over the next few months, what is your next step? Are you going to consider the Budget and Performance Committee's recommendation that you consider a review examining if the OPDC should continue in its current form?

Sadiq Khan (Mayor of London): To give Liz Peace [CBE, Chair, OPDC] and David Lunts credit, they have the humility to recognise that they have to evolve to make sure things work. The big challenge for us going forward is, not just the local plan, but making sure we can get the same number of benefits we were hoping to get in relation to the previous plan.

The big change this time is (1) there is certainty around Old Oak Common Station, but (2) a lot of that land is public land. You will be aware of the memoranda of understanding (MOU) and the agreements we have with other public landowners, which is different to last time. If you remember, last time, there was an increase in industrial land and private owners, which is challenging. Therefore I am optimistic. But I think we have to realise that if things are not working in the future we are going to not be scared to change, whether it is structures, whether it is personnel, whether it is plans. Because we have to see progress.

Susan Hall AM: We certainly do. While they were very enthusiastic - as they are this time - last time it all went horribly wrong. Can you provide an update on the landowner engagement and stakeholder discussions? Because those are scheduled to be completed by December this year.

Sadiq Khan (Mayor of London): I will bring in David Bellamy shortly to give you an update on that. Lots of good work has taken place in relation to engagement with landowners. As I said, many of them are public landowners. On the Park Royal site, we are working really well with them. COVID has provided challenges, but the business hub has done work along with the local employment advice service on Park Royal as well.

David, any more update in relation to more recent developments with landowners we can share with the Committee?

David Bellamy (Mayor's Chief of Staff): What is going on at the moment, Chair, is - as Assembly Member Hall said - the finalisation of the modifications to the local plan, ready to submit to the inspector. The aim alongside that is to submit as many as possible what are called statements of common ground between local businesses and the OPDC, which basically set out the areas of agreement that the local plan inspector can then take into account. A number of those have been agreed already. That number obviously is going to be increasing all the time as those discussions take place. Obviously, all of that will come into the public domain through that process.

As the Mayor says, what is also really important is that a lot of the land is public land that is not available for use in the short term, because it is a HS2 construction site, but will become available as construction completes. Therefore, in the medium term, the discussions there are really important.

Susan Hall AM: Yes. At what point though might you look at it again? I accept, and we all know, that millions and millions of taxpayers' pounds have been wasted on this so far. We are now looking at a completely different scheme. How much will you let that cost before you start seriously looking at it? I wonder whether it should be brought in-house, or if something else needs to be done? We cannot waste taxpayers' money. We should not ever waste it, but given the situation we are in now, at what point will you pull the plug on those two people running it in particular?

David Bellamy (Mayor's Chief of Staff): If I were to offer an opinion on that, as the Mayor said, £1.3 billion has been spent on the station there. This area does need to be regenerated and it does need to be done properly. The impact that station is going to have on the area means that the work, the research and the understanding about power supply and all the other aspects of infrastructure is going to be needed in the long term as that area develops.

It is obviously, as we all know, very unfortunate that industrial land values changed and the original plans the OPDC had were no longer viable, despite the Government having to support them --

Susan Hall AM: Going back to the original question, I understand what you are saying and that there is a lot of investment going on in that area, but the OPDC is costing us, the taxpayers, an absolute fortune. At what point will you stop, look at the costing, and wonder whether the corporation should be brought into City Hall, if you like, in order to save on some of these huge costs?

David Bellamy (Mayor's Chief of Staff): We are, through group collaboration boards and other discussions, always looking at it. Remember that a number of services are provided by the GLA to the OPDC, certainly more than is the case for the LLDC. Some of that already happens and we are looking at further opportunities

to do that. We will continue that work. Clearly, with the hope of getting a local plan agreed and further progress with the Government, 2021 is a pivotal year for the OPDC, no doubt about that.

Susan Hall AM: OK, but we must look at the cost of this corporation and we must decide what to do with it. It makes perfect financial sense to take control if they do not do something soon. I will leave it there.

David Bellamy (Mayor's Chief of Staff): The Assembly Member was not a Member of the Assembly at the time so would not necessarily know, but a few years ago the Committee's advice to the Mayor was to put more money into the OPDC, which on reflection we did. Clearly it is important public funds must be kept under close review.

Susan Hall AM: Absolutely, thank you.

Navin Shah AM (Chair): OK, I take it there are no further questions --

Len Duvall AM: Chair, I have some time, I think. Shall I come in?

Navin Shah AM (Chair): You are welcome to come in. Can you indicate what section your question is related to?

Len Duvall AM: This section. Thank you very much. Mr Mayor, thank you for the way that you answered those previous questions. The ability to think again if something is not working and keep an open mind to that. We are five years into probably a 25-year regeneration scheme and there are going to be lots of ups and downs along the way. The issue - I think the Member [Susan Hall] was trying to say before - is about the confidence and certainty in this issue. Of course, you alluded to the issues around the work with the Government. Your Chief of Staff has indicated 2021 is a crucial year.

Is the importance of the close working relationship with the Government key to delivering this site because of the ownership they have in terms of their transport land around on this? Is that correct?

Sadiq Khan (Mayor of London): It is correct. In addition, you have to remember that we have not had the certainty in relation to whether HS2 would occur or not. We now know it is occurring. We also know that the Government is going full steam ahead with Old Oak Common Station. We also know that the previous plans we had for the local plan might not materialise. Therefore that eliminates what we had originally planned to do, therefore we can focus on the art of the possible. That is the first part.

The second part is the Government has set aside a sum of money which we can apply for. That is under the control of MHCLG. That is going to be the application that is going to be made by the team on the Development Corporation.

The third part is a new local plan. All those things are really important.

Len Duvall AM: For the same reason as the Olympic Park that we alluded to earlier on, this new quarter for London, both as a place to work as well as to live, is going to be virtually very important, not just to London as a new quarter, but to the UK. It is a new gateway essentially, even though it is going on to Euston, a new gateway into London, for many people coming into London. This is not a project that is not going to be stopped, is it? This is a project that may change in scope and quantity over a period of time. We still will be investing money into this scheme and the Government will be contributing to it to make it a reality.

Sadiq Khan (Mayor of London): Spot on. Not developing this site is not an option. But those colleagues on the Assembly who have not been there should go there. It really is underdeveloped. When you talk about brownfield sites, this is a classic example of a brownfield site: huge potential, but it is really complicated, the powerlines, it is just really complicated when you go and look there. Therefore there is a lot of advance work required before you can see fruits being borne.

Notwithstanding that, we have already started building homes. People are living there. We have already started seeing receipts coming in through council tax. We have already started seeing some improvements made around the infrastructure there. We cannot pretend that we have not had hiccups along the way, expensive consequences caused by things outside of our control to some extent. It is frustrating.

I do not want anybody to be under any illusion of two things. One is that we have to make sure we fulfil the potential of this development. That is the role of the Development Corporation. Secondly, I think Susan [Hall AM] is right, we have to make sure we get value for money. This is taxpayers' money. It is really important we get value for money. I want to reassure the Assembly that, if this time next year there are still concerns about lack of progress, we are not going to be dogmatic about this and we must not be. It was me as Mayor who had the review in 2016.

It was me as Mayor who listened to you when you said, "Put more money into this". I wished we were putting less money in. The Budget and Performance Committee and the Assembly criticised me and asked me to put in more money. I acceded to your request and we are where we are, but we have to be flexible in relation to going forward and I am not dogmatic about this.

Len Duvall AM: Mr Mayor, you alluded to the employment issues. This is a major hub in that part of London around employment, about retaining jobs, but also, what are the new jobs? We want to build back better. We want them to be green jobs. What role has this area of opportunity got in the economic development plan around if we go subregional or whatever in terms of those contributions? What is the thinking around that?

Sadiq Khan (Mayor of London): I am really grateful that you asked that question. You know this, but there is great work we are already doing there. The Development Corporation is clearly supporting businesses in Park Royal. You have been there. In Park Royal there are some really good small businesses, big businesses, employing loads of people. We are delivering the Employment and Skills Hub there. We are growing and retaining employment, really important, keeping the jobs we have. Keeping local people in work. What is really exciting on the horizon is the work we are doing around the 5G rollout and solar power, which will be used to power 10,000 of the new homes.

I do not want people to be under the impression that things are not happening. Things are happening over and above the new construction that David Bellamy alluded to and the local plan that he alluded to as well. That is one example you reminded me of in relation to the work we are doing to retain what we have, making it futureproof, but also making sure we get future jobs going forward as well.

Len Duvall AM: Thank you, Chair.

Navin Shah AM (Chair): We definitely have reached the end of our question-and-answer session this morning. May I thank Mr Mayor, as well as David [Bellamy] and David [Gallie], for answering the questions today. Please, obviously, feel free to leave the Teams meeting while we just conclude this part of the session. Thank you once again for this morning.