

## London Assembly Plenary – 26 January 2022

### Agenda Item 3c – Questions to the Mayor on his Draft Consolidated Budget Proposals for 2022-23

**Andrew Boff AM (Chair):** 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 documents, starting with the Mayor's section of the budget. The first question on that section will come from the GLA Conservative Group and Assembly Member Hall will be asking that question.

#### (i) Mayor of London Budget Component

**Susan Hall AM:** Mr Mayor, do you have plans to introduce any performance metrics in your final draft budget in February, particularly in relation to the mission foundation spend within the Greater London Authority (GLA) Mayoral budget?

**Sadiq Khan (Mayor of London):** The London Recovery Board and the taskforce have set out a number of workstreams to keep abreast of the missions, and the foundations and aims underneath them. You will be aware that the work of the missions is not just work the GLA is committed to doing, it is work that partners across London are committed to doing, from London Councils, the 32 boroughs in the city of London, to the functional bodies, Metropolitan Police Service (MPS), London Fire Brigade (LFB), the development corporations, but also the private sector and, as importantly, the anchor institutions in London, the National Health Service (NHS), faith communities, higher education and so forth. So the taskforce will be looking at key performance indicators and metrics going forward and I am more than happy for the Chief of Staff or the Deputy Chief of Staff, Richard Watts, who chairs some of this work, to come back to the GLA Oversight Committee, if not the Budget and Performance Committee, to provide an update on some of the metrics going forward.

You will be aware that some of the aspirations and targets are for 2024, some for 2025. We will make sure that over the course of the next three or four years the GLA, as indeed I am sure councils and others will want to make sure, is keeping abreast of progress.

**Susan Hall AM:** It is very difficult for us to keep abreast of progress. It is no good one of your Deputy Mayors just coming saying, "All is well with the world," when we cannot have evidence in front of us, because there is so little to check on. Putting in these missions as opposed to a proper budget, which you know I have been complaining about since you started doing it, makes it even more difficult to scrutinise. So we are all very unhappy about that. I mean, and talking of scrutiny, you are proposing a £300,000 cut to the Assembly budget, which is the same increase to your own office budget. Is that intentional or just an unfortunate coincidence?

**Sadiq Khan (Mayor of London):** Firstly, my Chief of Staff has reminded me that the information that you requested, in answer to your first question, is available and I ask David to talk to that. It is also important for any misunderstanding to be clarified as well in relation to the cut you mentioned. Do you want to deal with both points, David?

**David Bellamy (Mayor's Chief of Staff):** On the performance reports, we produce a detailed performance pack, which comes to the Budget and Performance Committee every quarter, setting out a range of performance indicators for each of the recovery missions and the foundations.

For example, I have High Streets for All in front of me where we set a target around the additional funding that we managed to bring in as a result of GLA investment, job creation and safeguarding, increasing square metres of public realm, and changes in footfall on high streets where we have invested. With that list of actions, there is a detailed range of performance indicators.

We genuinely welcome - and I know Richard [Watts, Mayor's Deputy Chief of Staff] would say this if he was here - feedback from Members about additional performance indicators. We are very committed to do that.

In terms of the Assembly budget, the situation is that there is an increasing recurring funding, as set out in Part 2 Section 1 of the budget, that increases the recurring funding by £300,000. However, what we were able to do at the end of the budget last year, with one-off funding from the Government, was give explicitly one-off additional funding to the Assembly, recognising the financial challenges we were all having to adapt to. Of course that being one-off funding, it is not in the figures this year, therefore if you choose to include that in your presentation it will look like there is less money. However, that was always intended as one-off funding for the benefit of the Assembly.

**Susan Hall AM:** We all appreciate that between these budget papers and the finals in February, suddenly millions and millions of pounds will be found, therefore we will look forward to see just what happens with those millions of pounds within the month.

Very briefly, you are not planning to fund the work on your controversial Commission for Diversity in the Public Realm beyond 2022/23. It will be allocated £900,000 in funding. What achievements do you expect it to have delivered by that point, Mr Mayor?

**Sadiq Khan (Mayor of London):** You will be aware that one of the things we are seeking to do is to make the public realm in London more diverse than it currently is. We have set up a workstream for the Commission over the next period. You mentioned the grants programme. We are hoping to provide 80 to 200 grants of between £1,000 and £25,000 to communities across London. We are seeking to have new murals, plaques, public artworks and objects and participatory projects across London which bring about greater awareness of under-represented groups, their histories and contributions to the city. We are also seeking to support a programme of advice, guidance and networking, for smaller and/or underrepresented groups to enable them to access funding and support. We are seeking to support up to three large-scale emblematic projects, work on which will have been set in train for Londoners. We are also seeking to support a programme of borough support to create a clear picture of current policies and best practice in public realm representation. We are also seeking to support a public engagement programme to build a greater understanding of London's multifaceted histories --

**Susan Hall AM:** I will leave it there because of time, thank you.

**Andrew Boff AM (Chair):** Thank you. Assembly Member Russell.

**Caroline Russell AM:** Mr Mayor, you have identified transport and the public realm as a key theme in your Draft Consolidated Budget. This is something that my group will talk about in the later part of this meeting as we have some suggestions. Your Good Growth Fund has funded a scheme to create or refurbish more than

250 toilet units across London and you told me in an answer to a Mayor's Question (MQ) in October that this work would continue.

The Health Committee released an extensive report on the lack of toilets in London and the impact on the people who live, work and visit, our city, especially people who may have an urgent need for a loo. What are your plans to keep funding new accessible public toilets, especially as I see the Good Growth's capital spending plan reduces to nothing in 2024/25? Will new toilets be funded by High Streets for All?

**Sadiq Khan (Mayor of London):** Thank you for your question. Also can I commend those that have not read the report, with a snazzy title, the report that I enjoyed reading. This is an important piece of work you are talking about and I again say how important this issue is to particularly vulnerable Londoners, many of whom need access to a loo, otherwise they feel like they are prisoners at home.

The Good Growth Fund, as you mentioned, is limited in relation to the years it will be available. We are hopeful that there is non-GLA money we can leverage in. You will be aware that one of the things we are seeking to do with the work of the London Recovery Board is, not simply rely upon funding from GLA, but secure third-party funding.

On the reference to specific work in relation to High Streets for All, what we are not doing from City Hall is prescribing to high streets and communities and councils how they spend that money. For example, there are some councils and communities that want to use their high streets funding to make sure closed shops are reopened, to stimulate the high street. Simple things but really important things like greening the high street can make a difference, as can supporting public loos.

I do not want to prescribe from the centre how councils work up schemes, but they will have heard your points powerfully made and I will make sure that the London Recovery Board, and my team share with officers working on the work of the taskforce, your representations about the importance of seemingly simple things like a loo in opening up our city to people who otherwise feel like they cannot go out because of concerns about not having access to a loo.

**Caroline Russell AM:** Thank you. Then just briefly, one of your nine recovery missions is a New Deal for Young People. By 2024, all young people in need are entitled to a personal mentor and all young Londoners have access to good-quality local youth activities. I am just wondering how are you going to do this without the Young Londoners Fund? The fund is currently due to wind down and release the last of its earmarked reserves. David Gallie [Executive Director of Resources, Greater London Authority] has told me in a previous meeting that it was a priority for refunding. Will some of the unallocated 2021/22 business rates income that we now know about, and that is temporarily sitting in the Business Rates Reserve waiting for a purpose, be used for essential services for young Londoners?

**Sadiq Khan (Mayor of London):** Thank you for talking about this really important initiative in relation to the New Deal for Young People and our ambition for every young Londoner to have access to a mentor and good youth facilities near them, within walking distance. You will be aware that we recently announced some work from the Violence Reduction Unit (VRU), supplemented by funding from the GLA, which will be providing mentoring for 100,000 young people over the course of the next year.

There are many young Londoners who already have access to a mentor. Often they are being mentored by people; they do not call them a mentor, but they are a mentor. They could be a teacher, a youth worker, it could be a relation or somebody else. We are focusing on those Londoners who have not got a mentor. So,

being crude, many middleclass children have access to a mentor We do not need to help them in relation to the finite resources we have. It is those Londoners who do not.

We are confident that with the funding we have already set aside, not just with our partners from adult education to councils to voluntary community sector and others, but also money from the GLA, we can provide the funding in relation to youth work and mentoring.

In relation to monies we are going to have in reserves, I will be using the next few days and weeks, and when David Gallie gives me a report in relation to the return of the billing authorities in February, to see how much money we can prudently spend next year and going forward, and decide how that money is spent. But I have heard your representations.

**Caroline Russell AM:** OK, thank you. I need to stop now. But you are still making up your mind, thank you.

**Andrew Boff AM (Chair):** Thank you. Assembly Member Ahmad.

**Marina Ahmad AM:**

You have just said that building London's economy is key to London's recovery post-pandemic. How will your budget deliver on the missions agreed by the London Recovery Board as described as central to your budget, especially if those Londoners who are facing squeezed incomes, due to increased costs of living, and are still suffering the economic impacts of the COVID-19 pandemic?

**Sadiq Khan (Mayor of London):** Thank you for your question. You will be aware that, aside from the point I have made about external funding of some of our missions, from the GLA we are organising our budget around the missions. Therefore there are a number of things that address the concern that you have, and indeed I have, in relation to those squeezed incomes and how we support Londoners who are struggling because of the cost of living. There is going to be a tax rise coming up around the corner from the Government that the Cabinet is committed to doing.

The best examples I can give in relation to how we do that is some of the work we are doing in relation to adult education, the free courses for those who are on the minimum wage, the good works academies that we are working on. It is going to be part and parcel of helping those Londoners who are struggling to have the skills to get better-paid jobs, for people to be promoted within their place of work, to learn English if it is not their first language, and so forth.

We are also trying to invest in those jobs where there is a demand for them going forward. For example, the work we are doing in relation to energy efficiency, stimulating that market and encouraging more in the private sector to create those jobs. The work we are doing in relation to mentoring that Caroline [Russell AM] has talked about is really important. If you can mentor a young person, anybody below the age of 24, that may help them think of the win work we have done, the work of the integration network, is really important for City Hall with our partners on the Recovery Board to be the helping hand.

You are spot on in identifying those on a squeezed income suffering from the increase in the cost of living who really need the helping hand now.

**Marina Ahmad AM:** Thank you, Mr Mayor. Pre-pandemic, among some of the groups in London, poverty levels were at 54% and nothing seems to have happened to make that any less in the last two years from central Government. You only have limited statutory powers as Mayor of London and when it comes to

income through pay or welfare support it is down to Government to legislate to support in these areas. What can the Government do to support your aims of tackling poverty and inequality through this budget?

**Sadiq Khan (Mayor of London):** Thank you for reminding those watching this that we have very limited statutory powers and limited funding. One of the things that we can be relatively proud of is our lobbying around the Universal Credit cut, the £20. Our lobbying meant there was a partial U-turn from the Government.

The big things we need the Government to do going forward include addressing the cost of living crisis. They have to pause - I would say cancel altogether - the increase they have planned in National Insurance, which is literally a couple of months away.

They could cut the Value-Added Tax (VAT) on energy bills. One of the things that those campaigning for Brexit talked about was there would be no VAT on energy bills if we left the European Union (EU). I have a news flash, we have left the EU, let us cut VAT on our energy bills.

One of the suggestions put forward by politicians in Parliament belonging to the Labour Party is for us to use a windfall from some of these companies to support those who are struggling. Those are just three examples the Government could do very, very easily.

The final thing the Government could do in relation to other suggestions in the short time I have is to understand the importance of London to our national recovery. We will not get a national recovery if London is being done down. We contribute, roughly speaking, £40 billion to the Treasury. If the Government punishes London that means we are unable to contribute as much to the Treasury. That limits the ability of the Treasury and the Government to distribute funds around the country. Therefore, if you believe in levelling-up, you have to believe in supporting London.

**Marina Ahmad AM:** Thank you for reminding us about some of the promises that have been broken around Brexit and for reminding everybody that London generates 23%, almost a quarter of this country's gross domestic product (GDP).

**Andrew Boff AM (Chair):** Thank you. I now call on Assembly Member Garratt..

**Neil Garratt AM:** Good morning. I understand the Adult Education Budget (AEB) represents around 80% of the expenditure in the budget missions for 2022/23. I was just wondering what steps you were taking to make sure that spend delivers good value for money.

**Sadiq Khan (Mayor of London):** That is a really important issue you have raised. The history of this is that adult education was devolved to us from the Government three years ago and we welcome this sign of confidence from the Government in relation to devolution.

One of the things we have tried to do over the last two years - and we are doing even more going forward - is working with the Further Education (FE) sector and other providers on a proper metric of ensuring we get value for our money. The big change that has happened since we have taken over the AEB is linking more the skills people acquire in the FE sector and with other providers to get in a job and get into a job that you can sustain for at least six months. FE colleges and so forth are rewarded when people get a job and stay in the job.

It has been a bit difficult getting this data, therefore we have had to rely upon surveys, but the good news is, as a consequence of a meeting we had recently with the Secretary of State for Education - the new one is very good by the way, at least in comparison to the last one, but he is very good full stop - is he understands the importance of data. That goes to your value-for-money point. What the Department for Education (DfE) have agreed to do is to share with us the data, so that we can see the journey made by a student, which will give you confidence - as indeed me and the FE providers - that we are spending this money wisely.

The other important thing just to say, Assembly Member Garratt, is one of things we have tried to do is help those who are struggling as a consequence of a variety of things. For example, if you are in a low-paid job receiving the minimum wage, we can give you the skills through adult education to get a better-paid, living wage job, a promotion within the firm, or maybe a better job outside the firm in a different area. That is also good value for money return as well. Again, we are now starting to measure that as well, how many people can get out of long-term unemployment into work because of adult education and so forth.

The final thing, because I know time is short, shortly I will be announcing details of some of the academies we are working towards. These academies are trying to link students, Londoners, with future-proof jobs in those sectors we need them. Think about health, social care, digital, hospitality, green, those sorts of areas.

**Neil Garratt AM:** The check for value for money is essentially about looking at the outcomes for students who have been through. We will be looking at that data closely on the Economy Committee.

The spending for this is ringfenced. Where is the new money from the AEB going compared with what was being funded before, in the 2022/23 budget?

**Sadiq Khan (Mayor of London):** I will give you an example in relation to - to use your phrase - where we are using ringfenced money. The AEB is circa £335 million. What we are doing from City Hall, working with the London Recovery Board, is leveraging the AEB to support our academies programme. These are good-working sectors to support London's recovery, as I mentioned, in a green, digital, health, social care, hospitality, construction we already have, and so forth. Although, yes, of course the £335 million can only be used for adult education, we are able to impose on top of that the London Recovery Board work in relation to our priorities, in relation to the good work academies, to ensure the AEB money is being spent on our priorities. Does that answer your question?

**Neil Garratt AM:** Thank you very much. I will leave that there.

**Andrew Boff AM (Chair):** Assembly Member Cooper.

**Léonie Cooper AM:** Good morning, Mr Mayor. I wanted to ask you about achieving your ambition of London being a net-zero city by 2030. Are you satisfied that the budget provides enough to help us achieve that?

**Sadiq Khan (Mayor of London):** Chair, I should take this opportunity to put on record my thanks to the Member who played a role in moving me from going to net-zero by 2050 to going to net-zero by 2030. That private chivvying and public praising is much appreciated. The reason why you were so passionate in your lobbying of me was because you see the climate emergency we face.

The reality is that the cost of inaction in relation to the economy, livelihoods, the environment and health, is far greater than the cost of action. What we have done very recently is got somebody else to do some work in

relation to how we can get to net-zero by 2030. I recently published the piece of work they did. We have to make rapid progress in relation to reducing greenhouse gas emissions to tackle the climate emergency. We have to reduce air pollution to improve air quality and we have to cut congestion.

What this budget does is, working with partners, try to get to net-zero by 2030. You will have heard my announcement recently in relation to our challenge to reduce, for example, car journeys by 27% by 2030 if we are going to get there. I have tasked TfL to go away and do some work and come back to me with four options that I will implement in this Mayoral term. Secondly, there is a longer piece of work in relation to smart road user charging, which we have to move towards replacing congestion charge, Ultra-Low Emission Zone, Low Emission Zone (LEZ), with a simpler system.

The report also is a wakeup call to the Government that inaction and delay really are not an option. This has to be the decade of action.

**Léonie Cooper AM:** If we have time, I will come on to the Government in a minute. You have just spoken about the need to move away from fossil dependency and transport mobility. That is obviously a really challenging discussion and the options that you have put out after the Element Energy Report are going to be pretty challenging for many people in London. Therefore we need a big discussion of those.

We also need a budget, and again this is maybe an area where you can kickstart or offer seed funding, to move away from fossil dependency in domestic dwellings across London. It does not matter if we only tackle transport, that is not going to be enough to get us to the place where we need to be, net-zero, by 2030. What is your budget helping with there as well? I know that there has been assistance for community energy in London that has been ongoing.

**Sadiq Khan (Mayor of London):** Firstly, the first part of your question is spot on, if we are going to have “a just transition”, we have to make sure we give support particularly to poorer Londoners, to small businesses, to make that transition. It is just not fair and they simply cannot afford to do it on their own.

Let me give you some examples of some of the work we are doing, because you are right, heat pumps are expensive, district heating networks are not as available as they should be. We are doing a lot of work in relation to retrofit accelerator programmes for workplaces, bearing in mind that most of the greenhouse gas emissions come from workplaces. We are going to be doing more to retrofit those buildings, to adapt those buildings. We are doing work and you have again lobbied me on this on regular occasions. In relation to Green Homes Grant, to support homeowners, those who live in homes that are not well insulated and so forth to receive support because they cannot do it by themselves.

The Mayor’s Energy Efficiency Fund has leveraged in money to support the work we need to do in relation to supporting this transition. I will just make the point that there are three different areas we need to address: workplaces, homes and transport. Yes, this report is a wakeup call to the Government, they have to do much more, but there are things we can be doing and we must be doing and that is what I am seeking to do as the Mayor.

**Léonie Cooper AM:** Finally, you have taken up the role of the Chair of the C40 Cities, therefore you are seeing what is happening internationally and you are taking that lead there. What more could this Government be doing to support, not only London of course, but cities across the United Kingdom (UK)? It is only eight years away.

**Sadiq Khan (Mayor of London):** There is good news and bad news. The good news is, as a city, we are and we are seen as a global leader. Our reputation over the last five years around the world has been elevated. The bad news is, when I speak to mayors across the world, the support their cities get from their governments is far greater than the support we receive.

I will give you one example. I welcome the appointment of Chris Boardman as the head [Commissioner] of Active Travel [England]. He is not just an Olympic champion, but somebody really passionate about active travel. I have seen the great work he has done in Greater Manchester. We will not benefit as a city from some of the funds that Active Travel England have going forward, which seems to be ridiculous, bearing in mind we are a city with a population of 10 million. Similarly, funds in relation to electric buses, the funds that have been set aside - by the way some of them paid for by road tax by London drivers - we are not able to bid for in relation to electrifying our fleets.

We do need the Government to help us help them decarbonise our economy, to create green jobs. Alok Sharma [MP for Reading West] has done a valiant job as President of the 26th United Nations Climate Change conference (COP26) but he has had one hand tied behind his back because it appears there is no support from either his Chancellor or his Prime Minister. It is really important they understand that there is a first-move advantage in relation to us getting to net-zero by 2030.

We can be the country that exports the heat pumps around the world. We can be the country that develops and then exports the technology around, not just solar, but renewables from wind. We can be the country that has the world's finest fitters of insulation, of solar panels, of making these electric cars, of having electric vehicle charging points and so forth. The Government needs to be more ambitious but understand that getting to net-zero carbon is, not simply essential for our planet, it can help in relation to what our economy is going to be post-Brexit.

**Léonie Cooper AM:** Thank you very much, Mr Mayor. I am out of time but that was inspiring.

**Andrew Boff AM (Chair):** Assembly Member Moema.

**Sem Moema AM:** I am really interested to understand how you feel this budget will enable us to build the homes that Londoners need. It would be really good to hear what more we can be doing to support that really huge requirement the capital has.

**Sadiq Khan (Mayor of London):** The important word in your question is "need". We need to be building the homes Londoners need. Not luxury penthouse flats that sit empty or homes that are used as gold bricks by investors to buy, because the value of land, the value of homes in London goes only one way. The budget sets out how we are going to deliver on the Affordable Homes Programme. Two big areas there: the 2016 to 2023 programme and the 2021 to 2025 programme. It is really important that we all make sure that we build homes that Londoners need.

A big part of that equation is council homes. You will be aware that many councils lost the skills, the ability, the savvy, to build council homes, because for many, many years they were not doing so. The last two or three years have been spent skilling up councils, those that want to build council homes, employing staff, having the expertise to negotiate with developers and so forth. I am hoping over the course of the next two or three years we see more council homes being built in London, more support being given for housing associations, and more developers coming forward with 35% affordable housing so that they can use the fast-track route.



You will be aware that the good news is that the London Plan has been adopted. That places an obligation on developers in the private sector, but also councils and housing associations, in relation to build the homes Londoners need.

The final thing to say is we have to be cognisant of the headwinds the construction sector is facing in relation to the build cost inflation, in relation to labour shortages, in relation to supply chain issues, and in relation to additional costs as a consequence of building safety concerns post-Grenfell. Our budget seeks to do things to help address the headwinds, but also build the homes, as you said, Londoners so desperately need.

**Sem Moema AM:** OK, thank you. Just building on that point, around the issues that the construction sector face and the constraints, what would be the ways in which we could increase that capacity? You have touched on materials; I wonder if there are things such as labour shortages that we might deal with. I know you have the Construction Academy, which is beginning to have an impact. But what capacity do we have to build more homes beyond the programmes laid out?

**Sadiq Khan (Mayor of London):** We know that a large percentage of those who work in construction are of an age where they are now near retirement. We also know that a large percentage of those who worked in construction were EU citizens. What we also know is there are massive vacancies in construction across London. I challenge you to speak to a foreperson on a construction site who does not complain about shortages of labour.

We have said to the Government that there is an easy way to address this issue in the short term. Yes, you are right, we have a pipeline of homegrown talent with the Mayor's Construction Academy coming forward, not enough to fill the shortage of labour in this area. If the Government was to either devolve to us to be in charge of what is the Shortage Occupation List or to allow a temporary visa to allow construction workers to come to London to build these homes that would make a big difference. The Government has, by the way, relaxed the visa rules for heavy goods vehicle (HGV) drivers, for poultry farmers. Similarly, they should have a visa for construction workers from the EU and elsewhere to come to our city and build the homes we so desperately need. If they do not, what it means is that, even with the best will in the world, even if we did address the supply shortages, even if we did address issues around build cost inflation, we simply would not have the human beings to build the homes that we need.

**Sem Moema AM:** Finally, last year we surpassed the Government's target of housing starts by around 3,000 homes. There is a really ambitious target to build 25,456 homes. Do you think or are you confident that this can be delivered? It would obviously be really great for Londoners to deliver that.

**Sadiq Khan (Mayor of London):** It is going to be tough. We are going to throw the kitchen sink - in a very safe way - at this to make sure we get the homes built that we desperately need. The good news, in the last couple of years we have had record numbers of completions, because we started some years ago are being completed.

There are a number of things that cause me concern. There are council elections that have inevitably led to councils - for reasons I understand, I am not criticising them - being risk averse in relation to some planning permissions. If you are a councillor with a majority of 24 in a ward, you can understand why you may be concerned when some neighbours come forward with issues in relation to an application. Therefore, there are some concerns around the planning decisions with some councils. Concerns around the headwinds I have talked about going forward, but also concerns around simple things like TfL not having a funding deal means that some of the housing that was going to be started on TfL land or housing contingent on a station being

built or a station being adapted cannot go ahead. There are big, big challenges, but Tom Copley [Deputy Mayor for Housing and Residential Development] understands our ambition and he is working incredibly hard with a brilliant team in the GLA and our partners to try to get across the line.

**Andrew Boff AM (Chair):** Thank you. Assembly Member Fortune.

**Peter Fortune AM:** To build on, if you will excuse the pun, what Assembly Member Moema was saying around the houses that we need, where are we with the Kerslake Review? When do you expect that to come in and have you any idea what it might say?

**Sadiq Khan (Mayor of London):** Thank you for your question and good morning. I have not seen the report and I have not seen a draft. He does know there is an urgency in this because he knows it is a three-year Mayoral term and I would be disappointed if, within the next couple of months, we did not at least have a draft. What I can do, Chair, with your permission is ask my team to contact Peter to let you know. I am sure Tom Copley knows and I will make sure you are emailed later on today with an update in relation to expectation dates.

**Peter Fortune AM:** Thank you, I appreciate that. I am sure he has, but can you tell us what work has been done with big housing providers, developers and registered social landlords to involve them in that report, just so we get a realistic view of what it would entail to be a developer? I have got some experience in this and I know how tricky it is in terms of repairs, etc. What work has been done there?

**Sadiq Khan (Mayor of London):** David was involved in the terms of reference and I will ask him to come in shortly. Just to reassure you, I know the Chair himself has got strong views on this and I know Lord Kerslake was asked to speak to Andrew [Boff AM], the Chair, and he is speaking to those in the private sector. Do you want to explain, David, the work he is doing?

**David Bellamy (Mayor's Chief of Staff):** The thing to understand about the Kerslake review for the reasons that you set out, is that it is designed to be focused around the GLA group and to try to deliver as quickly as we can. It is not a review of all the housing sector in London. I know that, firstly, Lord Kerslake is the Chair of a housing association himself and with his previous roles as a council Chief Executive and at the Homes and Communities Agency and in central Government, he has real experience and knowledge that he brings to this. He has, I believe, consulted with some of the key people in the London housing sector as part of this work. I know also that he has met with some of the Members of the Assembly and the Housing Committee in order to bring both your direct expertise and the feedback that you yourselves have received from those in the sector into play in his report.

**Sadiq Khan (Mayor of London):** Chair, why do I not take this away and suggest to the Deputy Mayor [for Housing and Residential Development] to speak to Lord Kerslake to just check again with the Assembly? Great minds working together can try to solve this. I will ask him to speak to you, Peter, if he has not already.

**Peter Fortune AM:** That would be really valuable, thank you, because that voice of the G15 is important in this.

You did touch briefly on the challenges around delivering the 116,000 new affordable homes and you said that was going to be challenging. Realistically, are we going to hit those targets and, if we are not, what can we do to make sure we fill that capacity? The roll-on cost here for local authorities in terms of temporary housing,

bed and breakfast costs, etc, is huge. If that target is going to be missed, what can we do to support those local authorities?

**Sadiq Khan (Mayor of London):** Yes, I will have a better idea how we are at quarter 3/quarter 4, but the short answer is your point is well made. We spend far more on benefits than we do on bricks and mortar and that cannot make sense. That is a legacy of three decades of housing policies under successive governments and that is one of the reasons why Sem's question about homes Londoners need is so important. It is bricks and mortar, which is a virtuous circle by the way for the reasons you know. You are creating jobs and so forth and that is why it is so important. I hope to come back in quarter three/quarter four in relation to an update of where we are to give you a better idea of where we are in the 116,000, but the key thing is we cannot have a stop-start situation.

To give the Government credit, because it has now agreed funding for the second phase of 2021-2025 that means there is a pipeline now. Why is that important? Builders can have confidence there is more work coming down the road so they will invest, which is really important. The problem when you speak to those in the private sector is a stop-start has not been conducive to them investing in bricks and mortar. I am confident now with this partnership we have with now [The Rt Hon] Michael Gove [MP, Secretary of State for Levelling Up, Housing and Communities] and that gives certainty.

The final part of the equation is what [Sir] Oliver Letwin talked about in his report done for [The Rt Hon] Philip Hammond [MP, former Chancellor of the Exchequer]. We need to have a diversity of homes being built in London in relation to the private sector, councils, shared ownership, build-to-rent and halls of residence. That diversity means you have not got people, you know the phrase, "land banking" or holding homes back because they are worried about flooding the market with private sell and it is this diversity which we need going forward. I am more than happy, Chair, for the Deputy Mayor for Housing [and Residential Development] to come back to the Assembly at a future date to discuss what more we can do. It is an issue that we need to work together on because it is a need that Londoners desperately have. There is a housing crisis - there has been for some time now - and we have got to try to crack it.

**Peter Fortune AM:** Thanks. I will look out for that update, thank you.

**Andrew Boff AM (Chair):** Thank you. Assembly Member Sheikh?

**Sakina Sheikh AM:** Good morning, Mr Mayor. It was really great to hear you talk about your long-term plan to get us to net zero 2030 and the leadership that you are showing on this. I wanted to drill down and talk a little bit about how as the climate emergency deepens here in London and around the world, does your Budget do enough to help London mitigate and adapt to the increasing levels of heat and flooding that we are experiencing here in the capital.

**Sadiq Khan (Mayor of London):** Thanks for your question. We do what we can, but it is not enough. I spend my life speaking to and listening to Londoners and one of the things that I have noticed over the last 12 months is that the penny has dropped that this climate crisis affects us now. People had thought about this as a problem for tomorrow and a problem, let us be frank, for the global south, all those islands in the Pacific Ocean. The flash flooding we saw last year - that flooding of our stations, homes and businesses - the heatwaves we have seen that have had an impact and the soaring temperatures on those living in care homes whose wellbeing we are all concerned about have meant this is a now problem. You are spot on in relation to the importance of us to adapt, to mitigate and to build better resilience in our city to address the now problems of flash flooding, soaring temperatures and heatwaves. There are also the long-term challenges that

Léonie [Cooper AM] has referred to in relation to renewables, insulation, double glazing, triple glazing, a pipeline of green jobs and so forth.

We do what we can. Before I say this about some examples of the funding we have given, I am conscious that some of this is one-off funding because we can only get one-off grants. We cannot have recurring funding and that is one of the challenges in relation to the funding we are doing. There is stuff we are doing to help in relation to climate resilience through some of our investment in nature, which is really important, and in relation to infrastructure and the funding we are doing. It is simple things like how we are using sustainable urban drainage in relation to planning policies, the funding we give to school adaptations and so forth.

We do what we can. Is it enough? No. We need much more support from the Government in this area and I will give you one example. The work of the Environment Agency around flooding focuses on coastal flooding and river flooding. It does not seem to have woken up to the flash flooding in cities when there is heavy rain over a short period of time, and we need to persuade the Environment Agency to understand this is a serious issue.

**Sakina Sheikh AM:** No, you are spot on with that. It is really good to always have you bring us back to the international perspective on it when global south countries have been experiencing heatwaves - whether that is in Kenya or flash flooding like Mogadishu has been experiencing for many of years - so that London can put itself in that wider context.

To bring us back to the mitigation policies that you have laid out and particularly on the Green Belt, which is crucial for London's climate, as you know, there are continuing pressures to build on some aspects of this land. Although there are protections in your London Plan to stop this, there are a number of sites under threat. How does your Budget support these sections of the Green Belt either with rewilding, improved access or other landscape improvement projects?

**Sadiq Khan (Mayor of London):** Firstly, an important part of our strategy, which does not cost money, is the London Plan. Jules Pipe [CBE, Deputy Mayor for Planning, Regeneration and Skills] worked incredibly hard over a number of years with officers from City Hall to have the best London Plan we could possibly have. It is used as an example by people around the world in relation to their policies in their cities. It is quite clear that unless there are exceptional circumstances the Green Belt - green land generally - is sacrosanct. But we are not simply content with keeping what we have. We want more green spaces, so green roofs, green walls and planting trees. Also, you raised the issue of rewilding and I was inspired by a conversation I had, not just with my officers but with a chap called Ben Goldsmith, who has got a brother who is a politician. I do not hold that against Ben because he was really passionate and he persuaded me about how we could be really ambitious around rewilding our great city. I am hoping to get the views of many other experts in relation to how we can rewild our great city and that helps the environment as well as also, for me, it is an issue of social justice. How many young people living in inner city London have not benefited from the countryside or some of nature in terms of wildlife? We can bring nature to our capital cities in ways we have not done for a number of decades.

**Sakina Sheikh AM:** I look forward to seeing us bring more nature to our capital city and being ambitious with rewilding.

My final question was going to be on green infrastructure, but you have already touched on that so thank you very much and I look forward to hearing the rest of your answers.

**Andrew Boff AM (Chair):** Assembly Member McCartney?

**Joanne McCartney AM:** Mr Mayor, you have already talked about how your skills budget will get people back into work and also higher paid work, but I want to talk about those Londoners who are often forgotten, particularly in areas like mine in Edmonton and Tottenham, particularly young black men. If I take Edmonton, for example, since the start of the pandemic to date there has been a 74% increase in the claimant count with regards to unemployment-related benefits. I know that a recent GLA Intelligence report has found that in green jobs that you are hoping to create they are predominantly held by men rather than women and they are predominantly held by white men. How will your Budget work to make sure that you make sure that there is more diversity coming in to the skills when you are skilling London up and particularly for these new jobs?

**Sadiq Khan (Mayor of London):** You know more than anybody else the impact this pandemic has had on your community. Those who talk about levelling up and exclude London need to go to your constituency and your community to see not just the structural inequalities that exist but also how the structural inequalities have been exposed and exacerbated by this pandemic. It is a fact that if you live in your community if you are a black Londoner, you are more likely to have caught COVID and have lost your life from COVID than other parts of the country. It is also a fact that if you live in your community, you are more likely to have lost your job and be long-term unemployed because of the pandemic than you are in other parts of the country. That is why it is really important that our policies from City Hall focus on communities like yours because we believe in social justice, but also imagine the potential if we gave your community the helping hand it has been denied for so many years.

The work we are doing with the Skills for Londoners road map, which we hope to publish and announce the policy on soon, is saying to the FE sector and other providers, "Look, we're going to reward you if you can help Londoners in your community to access the skills they need for the jobs we know have been created that are futureproof". We have already shown we can do it in relation to construction and digital. We did a lot of work on targeting Black men in London to give them the skills to have jobs in this sector, working with projects like the Workforce Integration Network (WIN) and the Performance Design Education Collective (PDEC) and other groups with expertise in this area. We have done it in construction and digital, futureproofed sectors.

The other sectors we want to do it in are in relation to green, in relation to health, in relation to social care, in relation to hospitality and in relation to culture and creative industries. You are right. It is not just black Londoners who are deprived access to these jobs but also women. Women doing tech and doing digital and women doing construction is really, really important, particularly for those who are long-term unemployed and those for whom English is not their first language. That is why we are offering free courses. Again, I welcome the refreshing approach from [The Rt Hon] Nadhim Zahawi [MP, Secretary of State for Education] about flexibility in relation to who is able to access a free course up to Level 3. We have got to go to the communities rather than the communities coming to us. When we are ready to launch Skills for Londoners, one of the things we want is to make sure it is easy for someone in your patch to access these courses to get the skills they need for the jobs we are helping to create.

**Joanne McCartney AM:** That is good news and we will obviously be monitoring that.

You have talked about the Academies Programme. Do you have any timescale for when you will be making your announcements and in which areas will you be investing in?

**Sadiq Khan (Mayor of London):** I would be disappointed if there was not an announcement in the next couple of weeks.

We are still doing some work with the social care sector and I am learning every day about how complicated the social care sector is. There is good news in relation to the progress we have made with the NHS in relation to health. There is good news in relation to green. There is good news in relation to culture and creative industries. This year, of course, the London Borough of Lewisham is the London Borough of Culture and I am looking forward to going there later on this week. And there is hospitality. We are hoping to do good work announcements in relation to those. Building are going to with the Mayor's Construction Academy, which already has been incredibly successful and needs to continue to be successful because of the reasons Sem [Moema AM] has said in relation to shortage of construction workers and so forth.

**Andrew Boff AM (Chair):** Thank you. Assembly Member Best?

**Emma Best AM:** Good morning, Mr Mayor. Of course, reading through the Budget, the headline figure for most Londoners, especially struggling Londoners, would be the council tax increase, which represents a 43% increase in council tax since you took office. I cannot believe that is a decision you - or anybody for that fact - would take lightly. Could you outline some of the options that you looked into before reaching the decision to raise council tax?

**Sadiq Khan (Mayor of London):** Yes, thanks for your question. One of the things that was at the fore of my mind was my experience in my first year as Mayor when at about this time I received from the [then] Home Secretary, Amber Rudd [MP] information that London would receive a reduction in money from the Government in relation to policing. That was because in the previous year when Boris Johnson [MP] was Mayor, he had not raised the police precept to the maximum the Government gave him permission to do. What was clear from that and one of the lessons I learnt in my first year is that where the Government gives you a precept, a cap, if you do not raise funds up to the precept cap you are penalised in subsequent years.

I recognise and realise that council tax is incredibly regressive. There have been conversations in this Assembly from Members of most parties about how regressive council tax is so you raise council tax as a last resort. However, if you are being told by the Government that unless you raise council tax to the maximum levels you will be punished in future years, that is an incentive to do as the Government is almost demanding that you do. What the Government said to us in relation to the various levers we have is "Police: £10 precept". Every single Police and Crime Commissioner (PCC) across the country, Conservative, Labour or other, is raising the police precept up to the maximum £10 the Government is telling PCCs to do "(or else next you will have a cut)".

In relation to TfL, again the Government was quite clear that it said "no" to some of the recommendations in Boris Johnson's [PM, former Mayor of London] London Finance Commission (LFC) report in relation to devolving vehicle excise duty, in relation to changing how council tax works, in relation to devolving more business rates and in relation to us keeping some of the other taxes that are raised in London. It said, "You have got to use council tax as a way of raising additional money." You will remember last year the only way we could keep free travel for under 18s and for those above the age of 60 was to use council tax to pay for that. This year, because we are being required by 2023/24 to provide £500 million, it was clear that the Government wanted us to use council tax. Again, they have to amend the legislation to enable us to do so, which it is doing, which demonstrates why we have got to do it.

The final reason for raising council tax was to support the LFB. The baseline funding the LFB receives is 13% less than we are spending, and we are spending £27 million more on the LFB than the Government says we should. Why? Because in the eight years before I became Mayor we had fire stations in London closing down, we had fire engines being cut and we had firefighters being cut, which meant the Fire Brigade simply was not ready to deal with the catastrophes that we saw across London in 2017. I, of course, mean Grenfell Tower and

the terror attacks we saw with marauding terrorists in London in 2017 as well. The LFB plays a role in countering terrorism as well. We have raised council tax £10 to support the police, £20 to support TfL, which is only struggling because of the pandemic, and £1.93 to support the Fire Brigade, bearing in mind also the concerns around building safety. There are more than 1,000 buildings in London, tall buildings, that are not safe.

**Emma Best AM:** It strikes me as perhaps not quite correct because there are options there. It was a choice to raise that precept. It was not a given from the Government that you had to do that and it was not, indeed, to do things like fund concessions, which may well be something that you want to do and is worth doing, but to say you were forced and there was no other decision to be made I am not sure I can quite get on board with that.

My question to you would be looking at the fact we still have 455 Crossrail and TfL chiefs on over £100,000 salaries, we have still got a bloated exec at TfL and Crossrail and we have bonuses as amounts of £12 million and golden goodbyes. It is that particular TfL increase as well. Do you see how perhaps to struggling Londoners it may feel when they see this? Do you understand the feeling that they will have when they see the reports of those big bonuses, those big pays, and it is them at the end of the day footing the bill?

**Sadiq Khan (Mayor of London):** I deal with facts, not party political points. It is a fact that in the eight years before I became Mayor, the operating costs of TfL went up every year, it is a fact that pay went up every year for those earning about £100,000 and it is a fact that those non-permanent labour staff agency workers went up in the years before I was Mayor. By the way, so did fares by more than 42% in the eight years before I became Mayor. I am the first Mayor and the first Chair of TfL in London's history to reduce operating costs year on year and we have reduced them by more than £1 billion since 2016. We have reduced our deficit in TfL by more than 71% and increased cash balances by more than 13%. We have frozen, in fact, the pay of the top team at TfL, who have taken a pay freeze, and there have been no bonuses for some time in TfL. We have reduced the number of permanent staff in TfL by more than 14% - that is 4,400 taken out of TfL - and reduced the temporary staff by more than 16%, all at the same time as freezing fares and introducing the Hopper bus fares.

Before the pandemic, TfL was doing incredibly well with a target of getting to cash surplus for the first time in its history by 2022/23. The only reason TfL has financial challenges is because of the pandemic, the same financial challenges by the way we are seeing train operating companies having across the country that have been bailed out with a long-term plan from the Government. I think Londoners see the value for money they receive from TfL and they can all see the double standards from the Government. They recognised that a managed decline scenario, which may well happen if we do not get the funding on 4 February [2022], is in the worst interests for all Londoners, the poorest Londoners but also the country.

**Emma Best AM:** There are certainly people on the end of this and they certainly will see there have been those £12 million of bonuses promised and they will certainly see that money leaving their bank accounts when this rise goes through. Thanks, Mr Mayor.

**David Bellamy (Mayor's Chief of Staff):** Just to give you the figures on that, net labour --

**Emma Best AM:** That is OK, thank you.

**David Bellamy (Mayor's Chief of Staff):** -- net permanent labour has reduced --

**Emma Best AM:** Sorry, I am out of time, David.

**David Bellamy (Mayor's Chief of Staff):** -- by 16% and so has permanents, saving millions of pounds a year.

**Emma Best AM:** Thanks.

**Andrew Boff AM (Chair):** The next question is from Assembly Member Dr Sahota.

**Dr Onkar Sahota AM:** Good morning, Mr Mayor. One of the things with the pandemic has been that it has shown us the impact for inequalities. The pandemic has exposed inequalities in society. How is your Budget going to help to redress some of those inequalities which have been exposed by the pandemic?

**Sadiq Khan (Mayor of London):** Firstly, you are well aware of the inequalities that have existed for some time across our city. Joanne [McCartney AM] referred to some of this in her constituency, but I know it is in your constituency as well. What this pandemic has done is both expose and exacerbate these health inequalities. It is the same families by the way who are losing people from COVID, who may struggle because of obesity challenges or may struggle because of other health issues as well, respiratory issues caused by poor air quality and so forth.

What we have done - and I know my health advisers benefit from conversations with you - is develop a Health Inequalities Strategy, working with the London Health Board. That includes not just those from hospitals, trusts and those from mental health trusts but also those from the integrated care systems (ICS) across London as well as council leaders. That Health Inequalities Strategy tries to address the inequalities that we know about things like social prescribing, by things like community development for health and our ongoing commitment to things like a dementia-friendly city. Then separately we have an implementation plan to ensure we deliver inequalities strategies across London. The sum of money from this Budget is around half a million pounds, but do not forget the NHS is leveraging money from its budgets as well to address the inequalities in our city.

**Dr Onkar Sahota AM:** Addressing these inequalities is a partnership to the Government and of course with the London Assembly and yourself. Do you think that the Government has helped us by reducing the funding it has given in the last budget for public health to the local authorities? It has reduced those budgets and it has also reduced the grants for housing to you. Do you think the Government is ably helping London to address the inequalities which have been exposed by the pandemic?

**Sadiq Khan (Mayor of London):** One of the things that we now can confirm unequivocally is the link between poverty and ill health, and the Government has made things worse in relation to some of its policies over the last 11 years. Austerity was a choice and austerity has consequences in a whole host of areas from Grenfell Tower to deregulation and austerity to violent crime going up to the numbers of premature deaths caused by air pollution and so forth. A number of our policies in relation to healthier environments around school, in relation to addressing London's toxic air and so forth are trying to do things despite the Government, not because the Government is helping us. These are issues that are really important and one of the things we are trying to do is to educate the Government about the unintended consequences of some of the decisions it is making.

I will give you one example in relation to this. If a child is hungry during the school holidays, that has an impact on the choices their parents make in relation to choosing between food on the table or heating their



home, particularly in winter. The Government's welfare benefits policies, the Government's policies around not reducing VAT on fuel prices and the Government's policies around increasing National Insurance all make that worse and make it less likely that that child and that family's health will improve.

**Dr Onkar Sahota AM:** One of the other things is that air quality is very, very important. We all depend on the air quality; our lives depend upon it and we have no choice of the air we breathe in. I congratulate you for all the efforts you have done to improve it and are making to improve air quality in London. Do you have any initial data showing the impact of expanding the Ultra-Low Emission Zone (ULEZ) or what impacts it has had on air quality so far?

**Sadiq Khan (Mayor of London):** Yes, that is a good question. Just to remind colleagues, in relation to the ULEZ, the central London part of it, we saw just in a couple of years the amount of toxic air go down, so a 44% reduction in nitrogen dioxide, a 27% reduction in particulate matter and a 6% reduction in carbon dioxide. That is in central London. When we expanded the ULEZ up to the North Circular and South Circular we were expecting compliance - in other words those vehicles that are less polluting - to be around 86%. The good news is it is 92%. That means in a short space of time we are seeing cleaner vehicles in outer London, which means that the improvements in air will be more than we predicted. Our predictions were a 30% reduction in nitrogen oxides (NOx) and a 5% in carbon dioxide. We have not had the first data. It takes at least six months for the first accurate data because the first of couple of months there can be variations. Six months post-1 November [2021], sort of May/June [2022], we will have a better idea in relation to measuring trends. It is really important we continue to improve the air in London and there is a twin advantage in doing so. The other advantage in air quality improvements is it reduces greenhouse gas emissions as well so it tackles the twin emergencies of climate change but also air quality as well. It is the poorest Londoners least likely to own a car who suffer the worst consequences of air quality.

**Andrew Boff AM (Chair):** There being no other indications for the Mayor of London's section, we will now adjourn for 10 minutes.

**(ii) [Adjournment.] London Assembly Budget Component**

**Andrew Boff AM (Chair):** We now move to the next section of the Mayor's proposed Budget and that is the London Assembly section. Does anybody want to come in on that for the London Assembly section? No questions on the London Assembly section? OK, we will move on to the Mayor's Office for Policing and Crime and the lead-off question is going to come from the City Hall Greens, Assembly Member Russell?

**(iii) Mayor's Office for Policing and Crime Budget Component**

**Caroline Russell AM:** I would just briefly like to ask the Mayor about the assumptions in the Budget about the funding for the Violence Reduction Unit (VRU). Over the last three years, the VRU has been allocated £7 million in grants from the Home Office and the assumption is that this will continue. Briefly, what conversations have been had or what commitments have you had from Government about future funding?

**Sadiq Khan (Mayor of London):** Thank you for your interest in this issue. I met recently the Home Secretary and I made representations to her about the difference the Home Office contribution to the VRU is making and the differences the VRU is making. A number of things were discussed during our meeting and one of them was confirmation as soon as possible of VRU funding for next year but also to have long-term funding so we can plan properly. One-year funding is really difficult and so fingers crossed we have some good news from the Government sooner rather than later.

**Caroline Russell AM:** That is very good to hear. The VRU's harm reduction approach to policy is really essential work and that is great to hear and I have no further questions, thank you.

**Andrew Boff AM (Chair):** Thank you. Assembly Member Rogers?

**Nicholas Rogers AM:** Mr Mayor, could you outline your immediate priorities for the MPS Estates Programme?

**Sadiq Khan (Mayor of London):** Yes, thank you for your question. I am sure the Commissioner [of Police of the Metropolis] will have touched upon this yesterday. There is a review taking place on the Estates Strategy that is almost near completion. In relation to the estate, the bad news is last year we received £3 million capital contribution from the Government. This year, it just put it all into the main Budget, which I think shows its embarrassment in relation to how little money it gives us for capital.

The Estates Strategy is important for a number of things. Firstly, we have got to make sure we have fit for purpose buildings for our police to be able to do the work they need to do but also for back office police operations. I am thinking forensics and so forth. We have got an example of a building where it is leaking when it rains, clearly not fit for purpose. We have then got to make sure that we have sufficient space for the additional officers we are taking on board, another 1,800 coming on stream over the course of the next 12 to 15 months. The third really important part of it is to release surplus estates we have, firstly surplus land, so we can build the homes we genuinely need, but secondly by selling any surplus land or revenue streams coming in, we can pay for things like cars, kit, lockers and so forth going forward. The Estates Programme is almost near completion and I think it is with the Deputy Mayor [for Policing and Crime] at the moment. It has gone through the Management Board and it will be coming to me shortly. That may include selling off those parts of the estate we know are surplus.

**Nicholas Rogers AM:** I know that the Estates Strategy has been under review for a while? It sounds like it is nearing completion, but do you have an anticipated date when it will be published?

**Sadiq Khan (Mayor of London):** I spoke to the Deputy Mayor last week and it was with her. A previous draft had been sent back to the Management Board because she had concerns. Again, I would be disappointed if I did not have it to me in the next month, but again, Chair, I am more than happy to go back to the office today and speak to the Deputy Mayor and email Nicholas to let him know when I will have it. There is no secret there.

**Nicholas Rogers AM:** That would be much appreciated. On a related note, what sort of practical examples do you anticipate seeing of estate sharing or collaboration between London's blue light services over the next year?

**Sadiq Khan (Mayor of London):** Yes, it is an issue that the Chair of the Budget and Performance Committee rightly raises with us in relation to greater collaboration. There are some examples I can point to, [the London Borough of] Hounslow being one and other parts of London where we are doing estate sharing. Sometimes council with the police, sometimes the police with other parts of the public sector. We need to do more of that not just because it makes sense but because it saves money as well.

We can address the issues the police used to have around secrecy. Of course, we need to make sure their data is safe, that they have got safe places to do work separate from others. That can be addressed and the police accept that can be addressed. We would expect to see more of that going forward. David leads on the group

collaboration work across this sector and that includes the London Ambulance Service (LAS) and councils as well.

David can add a bit more detail - I know time is short - about some of the work we are doing to give you some comfort that we do take this seriously.

**David Bellamy (Mayor's Chief of Staff):** We have the Blue Light Collaboration, which looks at a range of operational things but also at estates as part of that and we have the Estates and Facilities Management Group that really focuses on office accommodation across the group. We are ready and, as the Mayor said, have some examples in place like LFB and the police co-located down at Purley, but we need to do a lot more. I have commissioned a report for the Mayor on this, which I have just received a draft of yesterday because we are really determined to push on with this wherever it makes sense. Obviously, security issues sometimes are a factor but, as we have shown through the City Hall relocation, where there is money to save we will do so and with the Ambulance Service and the Fire Brigade there is a sizeable opportunity that we want to take.

**Nicholas Rogers AM:** Thank you. This is a way that we can get greater value for money, particularly from dedicated ward officers whose time often is spent going backwards and forwards between locations. In fact, just during this meeting I have an email from a constituent in Chiswick, asking for possibilities for the ward officers there. Who is best to direct these examples, these suggestions, to? Would it be yourself, Mr Mayor, or you, David?

**Sadiq Khan (Mayor of London):** Either of us or Sophie Linden [Deputy Mayor for Policing and Crime], even the Borough Commander at the Borough Command Unit (BCU) level. There is some flexibility there, but if you come to us we can make sure we follow it up. I have tasked David with the issue of a GLA group collaboration and he chairs the Board as well.

**David Bellamy (Mayor's Chief of Staff):** Yes, and it is important to stress that the Estates Strategy will retain the principle that all dedicated ward officers need to have a base within 20 minutes of their ward. Sometimes, that creates challenges for collaboration. For instance, we have looked at the idea of using spaces in Tube stations, perhaps where there used to be ticket offices, but the MPS' operational requirements around lockers, around showers and things like that have tended to mean that they are not possible, but the Strategy will absolutely maintain that commitment.

**Nicholas Rogers AM:** That 20-minute target - I know from going out on patrol with my local Safer Neighbourhood Teams is often very challenging to meet and it does lead to not getting the best value for money from those police officers. It is good to hear there is still an ambition though. I am short of time so I will cut it off there, but thank you very much.

**Andrew Boff AM (Chair):** Thank you. Assembly Member Desai?

**Unmesh Desai AM:** Mr Mayor, in terms of the big picture what does the provisional Police Grant Settlement mean for the MPS in terms of capacity and tackling crime as we approach the new financial year?

**Sadiq Khan (Mayor of London):** Thank you for your question. As I said in answer to a previous question, the expectation from the Government - and we are almost under economic duress - is that we must raise the police precept by the maximum of £10. We know because history showed us if we do not, we will be punished next year. What that means is that we will be able to support the additional police officers that I have funded from City Hall, 1,300 going forward. We have now been told by the Government that we are not going to

receive all 6,000 officers that the Commissioner [of Police of the Metropolis] thinks we need, based upon her professional expertise, and that I think we need. We are receiving over the three years 4,500 of the 6,000 and that is about three-quarters of the officers we need. We do not receive - and I made this point again in my meeting with the Home Secretary - the full amount of a National and International Capital City Grant we are due, £159 million, and we have not received the capital funds that we spend. We spend, roughly speaking, £300 million on our estate, capital expenditure, cars, lockers, Tasers and so forth. We received last year £3 million and this year there is zero because it has all been put into the main budget. It is going to be tough. I am determined though to make sure we continue to make the good progress we have made over the last few years in reducing violent crime, reducing knife crime, reducing burglaries, moped-enabled crime and so forth, but it is going to be tough.

**Unmesh Desai AM:** Can I ask you a specific question? Aerial policing often does not get the attention that it deserves. This is officers' equipment/kit. The new officers that we have been allocated with are not enough; we should have more, up to the full 6,000. They will obviously require new kit. There will be a demand for new police cars to support their work, too. Does the Government provide funding for this capital investment activity separately or is it covered through our core police grant?

**Sadiq Khan (Mayor of London):** No, it does not. One of the problems we have is, if you remember, in year 1 of the three years we got funding for, roughly speaking, 1,300 officers and that include not just their salary but other issues that are ancillary to an officer doing his or her job. In the second year, the expectation was also for 1,300 officers, but the money we received was less because the expectation was some of the year 1 money would be used for the ancillary stuff. That is one of the points we tried to get across to the Government. If there are more police officers, they should be arresting more people, there should be more forensic work being undertaken, they may need more vehicles and will need more Tasers, will need more protective kit so forth and so forth. There are no additional monies been given for that, no capital money, as well. That comes from within the budgets we have and that is why it is really, really stretching and it is really tough.

**Unmesh Desai AM:** The public health approach to tackling crime, it is having some real impact such as reducing the number of young people being caught up in knife crime. The services delivering this important work have stressed that they are in desperate need of securing multi-year funding, something you already talked about earlier, in order to keep going, operating effectively. Unfortunately, the Government has yet again only provided a one-year settlement. What impact will this have on these services on the police's ability to do their job properly and on the public health approach in general?

**Sadiq Khan (Mayor of London):** There are two problems you have highlighted. One is our police budget is only a one-year budget from the Government settlement. The VRU is also just a one-year budget. What are the problems? We cannot make efficiency savings because we have not got a three-year plan. In relation to any transformation work we do; we cannot really do as well as we would like to do because it is only one year rather than three years. But you imagine if you are a youth group we do work with or if you are somebody who wants to work in the youth sector. You have only got certainty for a year rather than three years and that is why it is really important for the Government to realise we need multi-year funding deals. The Government recognises this because it is doing it for Education and a couple of other departments. We need it to do it for policing and the VRU as well.

**Unmesh Desai AM:** My final question: you continue to budget for 6,000 officers, something that Assembly Member Hall, if I quote her correctly, said is a laudable aim but that your Budget should be based on realistic assumptions. She said this in her opening statement. Do you not think your Budget should reflect the

needs of Londoners and the Commissioner's [of Police of the Metropolis] own professional assessment that we need 6,000 officers to police our streets?

**Sadiq Khan (Mayor of London):** Look, I am not willing to give up. It would be very easy for me to be a yes man to this Government. One of my jobs as the Mayor is to be a champion and advocate for our city. Our Commissioner [of Police of the Metropolis], whom the Home Secretary reappointed and I supported, believes we need 6,000 officers out of the 20,000 officers. We still need another 1,500 officers. I agree with her. We do want to carry on lobbying the Government for the additional officers. We may be able to get more officers if the Government gave us the National/International Capital Cities Grant money. The funding form is going to be changed this year. We may be penalised. We need to make sure we get more monies rather than less and that is why it is really important we carry on our fight for more officers.

**Unmesh Desai AM:** Thank you, Mr Mayor.

**Andrew Boff AM (Chair):** Thank you. I have had no other indications on this section to speak so we will move on to the next section, concerning the London Fire Commissioner, which is allocated to the Liberal Democrat Group to ask the first question. Assembly Member Bokhari?

#### **(iv) London Fire Commissioner Budget Component**

**Hina Bokhari AM:** Mayor, we know that the Government's action on the building safety crisis has been excruciatingly slow and piecemeal. We must continue to push for more action, but what additional steps are you taking in this Budget to support the many Londoners who are affected by this crisis?

**Sadiq Khan (Mayor of London):** Thank you for your question and for your constant lobbying on this issue. One of the big things we are doing to make sure those people who live in these buildings that are not as safe as they should be is proposing that the LFB receives an increase in its funding of £20 million in 2022/23. Just to give you an idea, that is 13% above the baseline that the funding settlement from the Government leads to. That is £27 million more than the Government says it needs. Also, addressing the recommendations that are directly linked to the families you are talking about, firstly from Her Majesty's Inspectorate [of Constabulary and Fire & Rescue Services] (HMI[CFRS]) and secondly from the Grenfell Tower Phase 1 Inquiry. The third thing we are doing in relation to these Londoners that we both care about is making sure that some of the changes brought about by the Fire Safety Act and the Building Safety Bill that will soon be an Act, we are having the LFB that could help support that, things like inspections, things like making sure we satisfying the roles of the regulator. We are waiting for the guidance from the Fire Safety Act. We welcome, by the way, the Government has given us some one-off grant funding in relation to this that will support not simply the work we have already done in relation to identifying which buildings we are worried about, more than 1,000, but secondly the role of inspections by fire officers is really important going forward. In the meantime, we continue to chase, chivvy, pressurise developers to make these buildings fit for purpose. It is really important we put pressure on them.

**Hina Bokhari AM:** You mentioned the Inquiry and the LFB got extra funding to undertake work on Phase 1 of the Grenfell [Tower] Inquiry, but 6 out of 29 recommendations will not be completed by the end of the financial year. As the LFB cannot complete these, what kind of extra provision will you be providing for wider, ongoing support for those affected by the building safety crisis?

**Sadiq Khan (Mayor of London):** Just to clarify - I know it is not intentional - three of the recommendations will not be satisfied by the end of this financial year and the three are things that are difficult. For example,

there are steps to be taken, too, firstly over compatibility of the LFB systems with those of the MPS and the Ambulance Service. That will not be done. Obtaining the equipment to allow firefighters wearing helmets and breathing apparatus to communicate with the bridge head, we think that will be done by August, not by April. Storing electric building plans and making them available for responding to incidents will not be done by the end of this financial year.

In relation to the buildings, I have already welcomed the progress Michael Gove has made since he was reshuffled into that job. He met this week with developers in relation to putting more pressure on them. I have written to the developers working closing with the relevant Minister, Stephen Greenhouse, in relation to putting pressure on them. The monies that the Government has allocated to the developers to sort themselves out goes through City Hall and we administer that money as a way of putting pressure on the developers to move far quicker. Some buildings have been allocated money, but they are still taking too long in relation to sorting that out. We are also working with the Government in relation to identifying who the building owners are. Some are offshore companies and so forth. That is the sort of work we are doing.

What we are saying to the Government is for those buildings below 11 metres and for those buildings which are dangerous because of non-cladding reasons - wooden and balconies and so forth - where there is no good news from the Government, they should be stepping in now to make them safe and later on have the argument with developers, owners and so forth about who reimburses the Government. Those buildings carry on being dangerous and those families being stressed and their dream being turned into a nightmare cannot be right.

**Hina Bokhari AM:** We will be talking more about mental health as well later on today related to this. Also, the LFB's budget submission has confirmed it has significant financial and cultural challenges to face. How confident are you that the LFB and its leadership have the skills and ability to tackle some serious cultural and financial issues and what actions are you taking to ensure that there are improvements?

**Sadiq Khan (Mayor of London):** If the Commissioner was here, he would recognise in the past they have not had the expertise to do these sorts of work and that is why they were hiring new people, the new Director of Corporate Services is coming in to help out. The next Director leading on transformation is helping out. There is a Transformation Plan. The assurance work has now changed in relation to independent assurance from somebody outside the Fire Brigade. The panel of experts who will be looking at the assurance work here as well, aside from the work the Deputy Mayor does and the GLA Team does as well and the Assembly does, of course, is really important. The HMI[CFRS] was quite clear in its report, as indeed was the Grenfell Tower Public Inquiry Phase 1.

The LFC has taken it on the chin and accepted that. He is not in denial, as previous leaders of the Fire Service have been. He is recognising that and taking action.

**Hina Bokhari AM:** OK, let us see what happens. Thank you very much.

**Andrew Boff AM (Chair):** Assembly Member Rogers?

**Nicholas Rogers AM:** Mr Mayor, the LFB has to make several million pounds worth of savings over the next few years. Do you anticipate that these savings will lead to any cuts in fire stations, appliances or firefighters?

**Sadiq Khan (Mayor of London):** Well, that was the previous guy. Things have changed under my administration. There is a new Community Risk Management Plan (CRMP) that is being worked upon and I

have got no plans to cut/close fire stations, appliances or staff. Let us wait and see what the Plan comes up with. I have got to make this point though, which is a point that Susan [Hall AM] and I agree on. The collaboration may lead to some changes in relation to greater working together and stuff and, save for that scenario, I definitely hope not. I will just make this other point that actually our city is becoming more difficult in relation to the work of the Fire Service because of the work uncovered by the inspections of buildings post-Grenfell [Tower]. Add to that threats of terrorism and the role the Fire Service has in dealing with marauding terrorists and so forth, it makes their job more difficult. Contingent upon what the CRMP says, I am not sure anybody would be advising closing down fire stations or removing appliances.

**Nicholas Rogers AM:** When will you have a better idea of what the savings might actually look like, the savings that are going to be required? What might need to change in the Brigade to deliver those savings?

**Sadiq Khan (Mayor of London):** Sure, I beg your pardon. Some of the transformation work will lead to savings. The Commissioner understands that the budget flexibility reserve is there for a finite time. They cannot always dip into that when they need to. Over the last five years, I have given the Fire Brigade more than the Government says it needs because I recognise there is a backfill to be done, but you are right to challenge the Fire Brigade, as indeed I do, and Dr Fiona Twycross [Deputy Mayor for Fire and Resilience] does in relation to savings they need to make going forward and you are spot on in relation to that. I think David has spoken to the Commissioner recently in relation to some of the work we are doing and some of the savings required going forward.

**David Bellamy (Mayor's Chief of Staff):** Yes, absolutely in terms of changes in the People Services function and, given what you said, Assembly Member, about skills in the Brigade, which is a very important point, there is in some areas a need to invest to save but the Commissioner is absolutely clear and the Mayor reminds him, I think, every time he sees him about the need to ensure that the savings part of that comes through. What you will see is later this year the new CRMP which the Assembly gets the chance to review and comment on before it is finalised and that model will need to set out how the changes there will help deliver savings and efficiencies.

The other big risk that the Brigade has got is that fundamentally we are dependent on Government decisions about how much money it allocates to the Fire Brigade and the money it gives to the Mayor. We know that we have only got a one-year settlement for 2022/23. The Government is thinking about how it allocates fire funding around the country and while we all would recognise there are challenges in all parts of the sector, the risk that we face in London is around half of the high-rise buildings that are at risk are here in the capital and that is why we think there is a really strong case for the Government continuing to give London the resource it needs so that if we do, heaven forbid, have a fire on the scale of the Grenfell [Tower] we have sufficient capacity to be able to get firefighters there and get people evacuated.

**Nicholas Rogers AM:** Thank you for the information.

**Andrew Boff AM (Chair):** Assembly Member Clarke?

**Anne Clarke AM:** Thank you, Mr Mayor, for your work on advocating for the many residents we have stuck in the cladding and building safety scandal. You have called on the Government to increase the LFB baseline funding, which among other things would help to maintain an increased number of inspecting officers to support the introduction of the Building Safety Regulator. What has the Government's response so far been on this?

**Sadiq Khan (Mayor of London):** Thank you. Just to remind colleagues, the funding we give to the LFB means that the LFB receives 13% more funding versus the baseline and that is really important. The reason why the baseline funding is important is because that is recurring and so what we want, as you have suggested, is an increase in the baseline funding. What we have got is not that and we have got a one-year settlement rather than a three-year settlement. We have though been successful - and I want to thank the Government - for a one-off grant payment from the Government. That comes to about £5.5 million. We have used almost half of that in relation to inspections, identifying which buildings are not safe, need additional help and so forth. In that way, the Fire Service knows when they go to a fire in a building, God forbid, if that built environment is safe so they can use "stay put" advice or whether it is not safe and so forth and so forth. The second half of that money will be used by the LFB in relation to the additional requirements caused by inspections, by training, how we use technology, in relation to the additional obligations placed on them with the Fire Safety Act and the Building Safety Regulator.

The problem though is, Anne, that is a one-off and so once it is spent, it is spent, and that is why we really need an increase in baseline funding so there is recurring certainty going forward.

**Anne Clarke AM:** Yes, I agree with you and, as you alluded to earlier, we have a real problem in London, particularly with buildings that are just going to be completely uncovered by the Government's announcements such as those that are under 11 metres, of which there are many in my constituency. Eventually the Government is going to have to come up with a plan for all of these buildings. What is that going to look like without recurring funding?

**Sadiq Khan (Mayor of London):** You and I speak regularly to families suffering the consequences of their buildings not being remediated. These are families who are really, really suffering huge stress and anxiety and mental ill health because of the fear if there is a fire that the home becomes more dangerous because of things outside their control that they could not have been aware of when they bought that home if they are a leaseholder.

That is why it is really important for the Government to step up. I have got to say that Michael Gove has made good progress and he should be commended for the progress he has made because Robert Jenrick MP made no progress and was almost giving the impression of being in the pocket of developers, who were doing nothing to take action. We should give him credit for moving the way he has and 11 to 18 metres is now better than it was before and we should welcome that. The idea of loans was ridiculous. He has got to go further in relation to those below 11 metres and non-cladding for remediation. Also, I welcome the fact that he is putting pressure on the developers in relation to doing more from them as well. We are happy to work with the Government on this and this is a good example of "We're on the same side here" and those families will expect nothing less.

**Anne Clarke AM:** Thank you, Mr Mayor.

**Andrew Boff AM (Chair):** Assembly Member Bailey?

**Shaun Bailey AM:** Good morning, Mr Mayor. At the Budget and Performance meeting this month, your Chief of Staff said, "The specifics of the LFB's People Services savings were hard to quantify at this stage." When do think there might be a clearer, more detailed picture regarding the saving proposals?

**Sadiq Khan (Mayor of London):** Well, it is good to see you and to h Mayorear you.



**Shaun Bailey AM:** Nice to see you, too.

**Sadiq Khan (Mayor of London):** I will let the Chief of Staff answer the questions you refer to.

**David Bellamy (Mayor's Chief of Staff):** I believe we have published the decision document, which I would, in the interests of time, direct the Assembly Member to. What that sets out is that what we need to do is get the new Human Resources (HR) business partners in post and with that new senior staff that will enable the plan for driving out the savings to be set out in detail. That is the plan there.

**Shaun Bailey AM:** Thank you. When is the LFC likely to publish its new Estates Management Plan, which at the Committee meeting in January [2022] was said to be coming alongside the CRMP as well?

**David Bellamy (Mayor's Chief of Staff):** That will necessarily come with the CRMP because in response to an earlier question the Mayor talked about the target operating model that flows from that and clearly the Estates Strategy has to align with your target operating model. In terms of finalising that, they will come out, I imagine, at the same time and they are being developed in parallel, including the work that is ongoing, I know, at the moment around the Fire Brigade estate and net-zero, which is obviously a very important consideration.

**Sadiq Khan (Mayor of London):** The other thing just to add, Shaun, is we do know that the Albert Embankment and Clerkenwell sites are sites that have been declared surplus to requirements that we can say are surplus and so you can take that as a said. David is right in relation to them being linked. Just the other point that the Chairman of the Budget and Performance Committee and I agree on is the issue of collaboration. Subject to those things, we hope to have that at the same time as the CRMP.

**Shaun Bailey AM:** Is there any timescale? Do you have a rough delivery date on that?

**Sadiq Khan (Mayor of London):** Yes, there is a timeline.

**David Bellamy (Mayor's Chief of Staff):** We are challenging the Brigade on the CRMP to get it done certainly within 2022. There is a statutory process to follow and it is important that there is proper consultation with Londoners as well as the Assembly. The Deputy Mayor and I have met the [Fire] Commissioner and challenged him to do that as quickly as possible. We are waiting for him to come back and set out the detailed schedule based on the challenge we gave him around that.

**Sadiq Khan (Mayor of London):** If you remember, this takes over from the London Safety Plan, which used to take some time. It is called something else now, but it is the same thing. That is why this process is in place for the engagement, consultation and so forth.

**Shaun Bailey AM:** Thank you.

**Andrew Boff AM (Chair):** Assembly Member Polanski?

**Zack Polanski AM:** Good morning, Mr Mayor. Last week you published your *Pathway to Net Zero Carbon by 2030*, as you promised me at Mayor's Question Time last year you would and so thank you very much. Also, since then you have made some really strong comments particularly about climate mitigation and reducing emissions and particularly over road user charging, which was very much welcomed by my colleagues and me. Also, I want to thank you for the acknowledgement that you often give to the Green Group for pushing you on announcements like that.

I want to talk now, though, about climate adaptation and particularly the role of the LFB both in wider emergency planning and also in the work it has done on warning on adaptation with TfL, utilities and also the Environment Agency, which, to quote it directly, said, "Adapt or die". You have spoken this morning in the Chamber about one-off projects for adaptation, but would you consider more strategic funding to make sure that we are looking at the scaled investment that is needed for adaptation in London?

**Sadiq Khan (Mayor of London):** Thank you for your question and, as ever, it is good to be challenged by colleagues on the Assembly.

The CRMP will be looking at some of these sorts of issues because what you are highlighting is how the demands on the LFB are changing because of climate change. If we had been speaking 10 years ago, the sort of work the LFB does in relation to flash flooding would have been a Hollywood movie type of thing. More and more, the LFB is aiding residents and businesses that have been flooded and stations that have been flooded and is also helping colleagues London outside as well because we have the kit. What we are hoping is that the CRMP gives us a forward plan and an assessment of what is needed and then we can try to assess our budgets towards meeting what they need. You will be aware that some of the kit we have is used by colleagues around London.

Actually, one of the things we are trying to say to the Government and indeed the Environment Agency, which is along with the Government, is actually that we have to be thinking now in relation to adaptations and permanent plans not just by the coast and by the river but in our cities as well. I know our [Fire] Commissioner talks regularly with commissioners around the country because this is a common city problem. I am sure you will know this from speaking to your colleagues around the country as well.

**Zack Polanski AM:** Thank you very much.

**Andrew Boff AM (Chair):** I see no other indications to speak on this area and so let us move to the next one, which is TfL. The Labour Group will ask the first question and that will be Assembly Member Baker.

#### **(v) Transport for London Budget Component**

**Elly Baker AM:** Good afternoon, Mr Mayor. The TfL submission to the GLA budget shows that TfL is having to plan for a managed decline scenario from 2022/23 with no new enhancement projects above those already committed to and with only essential renewal projects continuing. Can you expand on what the budgetary impacts of managed decline will be?

**Sadiq Khan (Mayor of London):** Catastrophic. The current deal we have with the Government runs out in 10 days' time. You have to remember that many of our assets are 40 years old. Some are more than 40 years old, like the Bakerloo line. We have to plan long-term. There is no certainty of funding - forget 2023/24 - for 2022/23.

What that means is, at the moment, we have paused the retendering of some bus contracts. That has implications for those companies, for their staff and for the factories that make the electric buses that these private companies order. We are considering which contracts to cancel. Although we will have to pay compensation to private companies for cancelling contracts, that will be less than the money for carrying through these contracts.

For Londoners, it means the Tube services being cut by around 9%. There is a separate conversation about whether we do that by closing down one line or whether we reduce the frequency of trains on the Tube. On our buses, it means a cut of around 18%. To give you an idea of what that looks like, it is 100 routes stopping and 200 routes having their frequency changed. Rather than waiting five minutes for a bus, you will be waiting 12 minutes for a bus.

I will make this point. We are hardly going to encourage people to leave their petrol car and diesel car at home and to walk, cycle or use public transport if public transport is less good and if the roads are more dangerous.

**Elly Baker AM:** I would just like to follow up on the impact on public transport specifically. Have you made an estimate as to the potential for a decline in fares income should public transport become less reliable and less attractive due to the impact of a managed decline scenario?

**Sadiq Khan (Mayor of London):** Yes. In crude terms, without being patronising, the two ways to make our budget balance are to reduce expenditure and to increase income. The reason the managed decline scenario is nonsensical is because not only do we lead to our city being less able to contribute to the Treasury's coffers because the businesses we speak to say they need TfL firing on all cylinders to do well in relation to productivity. Also, the income we get in from fares reduces as well. It is a vicious circle that leads to us going back to where we were in the 1970s and 1980s. By the way, one of the ways of attracting business to London, when I speak to chief executives around the world and investors around the world, is talking up our city in relation to infrastructure, new homes and public transport. We are not able to do that if we are in a managed decline scenario. That is why it is so important for the Government to understand why investment in London makes sense for London and also our national recovery as well.

**Elly Baker AM:** Just to pick up on your point about the Government, a couple of weeks ago I was watching the Prime Minister's press conference at home and I was quite surprised but pleased to see that he seemed to be supporting London. In fact, I was so surprised that I nearly choked on my cup of tea. He said:

*"Of course, ridership has been down because of the pandemic ... So it's vital that London is properly provided for ..."*

Has the Prime Minister been true to his word and does it look like TfL will receive the long-term funding that the Prime Minister seems to recognise himself that it needs?

**Sadiq Khan (Mayor of London):** The current Prime Minister has not been true to his word. We will have to see what his successor does, but just look at the evidence in relation to some of the policies from this Government. TfL is not given the support it needs versus the privatised train operating companies. We have made £1 billion worth of savings over the last five years. The MPS has had to make £1 billion worth of savings since 2013, most of it post 2016. We have to make, by the way, further savings, according to the Government, of another £100 million over the course of the next year across the country. The MPS has to carry some of that burden as well. The LFB in relation to baseline funding we have talked about. As Anne [Clarke AM] has said, we receive less money from the Government than we should. I could go on.

There are pots of money that the Government is setting aside that other cities can bid for and London is excluded. The way to get a national recovery is to work with the capital city. The most patriotic thing you can do is to talk up our capital city and to support our capital city. When I hear politicians from all parties, by the way, talking down London, I do not see how that helps. The way to level up is to encourage all parts of the country to have the powers and resources they need to do better.

**Elly Baker AM:** Thank you, Mr Mayor.

**Andrew Boff AM (Chair):** Assembly Member Pidgeon.

**Caroline Pidgeon MBE AM:** Thank you very much. In last week's update to your draft budget, the sum of £216.9 million was allocated to fund infrastructure projects to improve London's air quality and environment. Could you outline which TfL projects that funding will support?

**Sadiq Khan (Mayor of London):** I am not sure which number you are talking about, Caroline. Can I just check?

**David Bellamy (Mayor's Chief of Staff):** Yes, that is the money that the Executive Director of Resources now believes we will not have to return to billing authorities. We have been working to date on an assumption that as they take 84% of business rates income, then 84% of that we would want to spend on TfL because the Mayor has had a policy of not having cross-subsidy between the Department for Transport (DfT) and policing, for instance, in either direction. That money is an allocation that is, as the Mayor spoke of last week, around the climate emergency and possible changes and so, if funding was needed to implement those or to help Londoners adapt to changes, then that would give us some funding that could be used for that purpose.

**Caroline Pidgeon MBE AM:** Have you looked at any transport projects yet or is it too early?

**Sadiq Khan (Mayor of London):** I wish David Gallie was given the permission to look into this, but the figure I had in my mind was £258.8 million. The 84% comes to £216 million. Apologies for that. It is making the changes that may need to be made in relation to the policies I talked about last week and that Zack [Polanski AM] referred to in relation to the climate emergency.

This is a conversation we are going to have with the Commissioner and the team and TfL and also a conversation after they come back to me with the work I have asked them to do in relation to the four options this side of the next Mayoral election and the longer-term options in relation to smart road user charging. Also, of course, I have to wait and see what happens after 31 January [2022] in relation to the definitiveness of the numbers and where we are. I may have more information by February in relation to when I come back to you for the final budget, but that is contingent upon TfL coming back to me with the work I have asked it to do.

**Caroline Pidgeon MBE AM:** You have recently announced, as we have discussed earlier, your intention to explore more coherent road user charging in the capital, which we absolutely welcome here, but how much funding is allocated to this work and will it also look at things like a workplace parking levy, which is another option open to you in the GLA Act?

**Sadiq Khan (Mayor of London):** I cannot give you that detail today but let me see how soon I can get you that detail. I would be astonished if I can by February. That may take some time because I have asked TfL, which has limited bandwidth because it is trying to negotiate with the Government at the same time.

**Caroline Pidgeon MBE AM:** Of course.

**Sadiq Khan (Mayor of London):** I have to be honest. I do not think it is going to come back to me by February because it is just dealing with other issues and stuff, but at some stage I do want TfL to come back to me with some of the options for how we reduce transport emissions. You mentioned one and I know there is

another city now considering this after Nottingham. I forget which one now, but there are more cities looking into this issue.

**Caroline Pidgeon MBE AM:** In terms of this additional funding, I realise you are focusing it on air quality but the other really important issue around infrastructure is step-free access. We know that all your step-free access programme has come to an end. Will you be looking to see if any of this new funding could go into step-free projects?

**Sadiq Khan (Mayor of London):** I cannot give detail. I do not want to mislead you. Once I have more detail, I am more than happy, as I always am, to get my team or me to speak to you about the options and stuff. You will know my commitment to step-free in relation to the importance and you have been a powerful ally in relation to this. We have made good progress. The only reason we have paused progress is because of the pandemic and the Government's lack of support to our city. Just like what looks like a small thing like public loos can enable Londoners to get out, having step-free access can enable Londoners to get out and about across our city as well. We have made great progress on the Underground. By the way, something you will be really pleased about is all of the Elizabeth line is step-free, which is fantastic news.

**Caroline Pidgeon MBE AM:** I know. That is a long issue we campaigned for. Thank you very much, Mr Mayor.

**Andrew Boff AM (Chair):** The next question is from Assembly Member Berry.

**Siân Berry AM:** Thank you very much, Chair. Thank you for those questions, Assembly Member Pidgeon. I would like to follow on from those questions about what we are doing with the new transport services funding reserve, which is where £216.9 million of the unneeded-to-be-refunded business rates is going. You were mentioning the workplace parking levy and you were not sure which city it was. I am afraid it is --

**Sadiq Khan (Mayor of London):** Caroline [Pidgeon AM] mentioned that, not me.

**Siân Berry AM:** You said you are not sure which city was bringing it in. It is definitely not Bristol because in Bristol in November [2021] the proposal from the Green Party to put forward a corporate parking levy had any firm commitment to pursuing the idea removed from the motion by the Labour members of that Council --

**Sadiq Khan (Mayor of London):** Maybe it is in Green Brighton. What is happening in Brighton?

**Siân Berry AM:** -- which is a shame. It may be another city, though, that you are thinking of.

**Sadiq Khan (Mayor of London):** Are we talking about Brighton?

**Siân Berry AM:** You said you did not know which city and I was just saying it is definitely not Bristol for those reasons cited.

**Sadiq Khan (Mayor of London):** You could have mentioned other cities like Brighton.

**Siân Berry AM:** It could possibly be Brighton and Hove, Mr Mayor. Yes, moving on --

**Sadiq Khan (Mayor of London):** My party does not run it. Yours does. That is why you know the full name and I do not.

**Siân Berry AM:** -- I would like to ask you a question about this funding, though, because, at the moment - and you have said you may bring forward things in February [2022] and so maybe that is the answer - but if you look at the reserve table, which is in section 2.42, it is very clear from that table that the money for this reserve is coming from this year's budget, 2021/22, because it is money we were expecting to have to return to the Government and we do not have to. It is this year's money. Then, according to this table, it sits there in the account for two whole years and it is not planned to spend any of it until 2023/24.

Given that you talked about those four options for transport and three of them were going to be quite immediate, presumably this is for the fourth option, in which case should it be brought forwards and not just be left to sit fallow for two whole years? I have discussed with you before how there are serious preparation works needed on a scheme like this including a huge conversation with Londoners.

Also, one of your written answers to me that was received this week makes it clear that we do not even know how many miles are driven in London at the moment. We only know how many miles Londoners drive. That is some serious work that could be brought forwards and some of this funding used for.

**David Bellamy (Mayor's Chief of Staff):** If I can help with that, there are two items of funding that are in that reserve. One will be the £216 million that we have talked about --

**Siân Berry AM:** There is a further £61 million going in the following year.

**David Bellamy (Mayor's Chief of Staff):** then what that is about is the potential for one of the schemes that the Mayor outlined as possible that TfL is looking at last week. You are absolutely right to say that there would need to be funding for implementation costs. It is not possible until the decision is taken to take forward such a scheme, if indeed that is what the Mayor ultimately decides --

**Siân Berry AM:** You are saying, in the February budget, we may see a different spending profile?

**David Bellamy (Mayor's Chief of Staff):** No. What I am saying is that until you say, "Yes, we are doing a scheme and this is the scheme we are doing and this is the profile of implementation costs", you cannot set out the numbers between the different years until those decisions are made. It is a budgetary assumption at the moment that that money would be spent in 2023/24. However, it is possible that some of the early implementation works would fall into 2022/23, but we do not --

**Siân Berry AM:** If we continue to lobby for the kinds of things I have just discussed and some research work, that could be pulled forwards?

**David Bellamy (Mayor's Chief of Staff):** As I said, TfL is looking at --

**Siân Berry AM:** Yes or no is fine because I have another question to ask.

**David Bellamy (Mayor's Chief of Staff):** -- some of this now and then the balance of money in that reserve is the council tax where the Government has required the Mayor to raise money for 2023/24 --

**Siân Berry AM:** That is fine. I was not asking about that.

**David Bellamy (Mayor's Chief of Staff):** -- but given the increased limits, we need to do that --

**Siân Berry AM:** Can I ask a further question? There is also the business rates reserve, which is holding over £78 million in funding, which you have indicated in this draft budget you are looking to allocate in your final budget towards things. We will be discussing later on how the need to achieve Vision Zero means investing in more pedestrian crossings. We are going to be proposing that in one of our motions later on. Just for me to raise now, it would be great to see some of that money going into real pedestrian safety on the roads. We have uncovered this gap with all these junctions. There are 250 junctions that do not have the crossings that they need. I hope you will consider that --

**David Bellamy (Mayor's Chief of Staff):** It is very important that --

**Siân Berry AM:** -- Mr Mayor. This is a policy question.

**David Bellamy (Mayor's Chief of Staff):** -- as the Mayor considers all these things to understand the business rate reserve is going up and down with the results of the pandemic and the payments back to building authorities and Government compensation. Therefore, we are actually projecting by 2024/25 to be about £50 million below the amount the Executive Director [of Resources] previously regarded as prudent. We cannot regard business rate reserves as free money to allocate around the place, notwithstanding the importance of the issue that you raise.

**Siân Berry AM:** I believe there is no time for much of an answer from the Mayor left, but would you like to answer my question?

**Sadiq Khan (Mayor of London):** I always listen and engage in an interested looking way to whatever you say, Siân, as I will do this afternoon.

**Siân Berry AM:** OK. We look forward to some more Vision Zero policies coming forwards in the final budget.

**Andrew Boff AM (Chair):** The Green Group is now out of time. The next Assembly Member to ask a question is Assembly Member Fortune.

**Peter Fortune AM:** Thank you very much. Mr Mayor, this is a very quick one just to counter some potential misreporting in the papers last week around the boundary charge. I know the Government is not keen on it, but can you make it clear whether or not the boundary charge option is something you have taken off the table in the paper you sent to the Government?

**Sadiq Khan (Mayor of London):** No. The feasibility study was sent to the Government last week. It was received by me last week. I have read it. It is 60 to 70 pages long. It is one of the four options. As the Chief of Staff has said, we have asked TfL to go away and do some work on all four options in relation to what I announced in relation to our ambitions to cut congestion, in relation to reducing air pollution and in relation to tackling the climate emergency. Separate from that, if you remember, the reason why we raised it - it is just a coincidence - overlaps with those priorities. It was one of the options that we gave to the Government with a number of other options in relation to how we fill the £500 million black hole the Government has asked us to fill.

**Peter Fortune AM:** That is great. It was just clarity around that point because the newspaper had reported that it had been taken off the table. Thank you for that clarity.

**Andrew Boff AM (Chair):** There are no other indications on that section. I will now move, therefore, to the LLDC and I just want to ask if any Member wants to ask a question. I have an indication from Assembly Member Prince.

#### **(vi) London Legacy Development Corporation Budget Component**

**Keith Prince AM (Deputy Chairman):** Good morning, Mayor. I just want to talk about the London Stadium. As you know, the London Stadium has now been in existence for 10 years and one of the issues with the London Stadium is that it is deemed to have onerous contracts in the form of West Ham United [Football Club] and also Athletics UK. One of the funding streams that was always put on the table was the naming rights, which was guesstimated at around about £4 million initially and so over 10 years we should have been looking at about £40 million worth of income. Spectacularly, the LLDC has failed to let a contract to name the Stadium, in spite of the fact that on numerous occasions West Ham United has offered to step in - with massive experience of sponsorship - and help, but always for whatever reason those offers are turned down.

You may also be aware that last year the LLDC had conversations with PAI Group and, allegedly, offered to do a deal around the Stadium. I am not sure whether it was around ownership but certainly a different arrangement where PAI would take over the running of the Stadium and possibly the ownership.

However, those offers have not been made to West Ham United. On 24 December [2021] West Ham wrote to the Chief Executive of the LLDC and asked to enter into talks around naming rights and enter into talks around a different deal around the Stadium, which would be to the great benefit of the LLDC. As yet, they have not received a response.

Mr Mayor, would you, firstly, agree that the LLDC should be working with West Ham because it is in everyone's financial benefit including the taxpayer? More importantly, would you, Mr Mayor, use your influence to get both the LLDC and West Ham to start talking?

**Sadiq Khan (Mayor of London):** Let me unpack a number of the issues raised in that question. Firstly, in relation to discussions between the LLDC and West Ham, the LLDC's door is always open for speaking to West Ham. I am not going to go into the commercial discussions between West Ham and the LLDC, but I am sure the LLDC and West Ham will have discussions in relation to a number of issues. I am not going to talk about the particular one you have mentioned for obvious reasons.

In relation to naming rights, you will be aware of some of the challenges that Chelsea has in relation to naming its stadium and some of the challenges Tottenham Hotspur [Football Club] has in relation to naming rights of its stadium. The London Stadium is trying to get a sponsor to support us financially of course so that that Stadium can be named, but it is in the overall context of the Olympic Park. This is a challenging area and the Chief Commercial Officer is working with the LLDC and others to try to make progress there?

The third part of the story is, actually, relations between West Ham and the LLDC are far better now than they were when I first became Mayor in 2016 and we need to make sure that relationship carries on because it will be a tenant for some time going forward.

**David Bellamy (Mayor's Chief of Staff):** Assembly Member, I know that the Chief Executive of the LLDC has offered a private briefing to the Chairman of the Budget and Performance Committee on these issues. Perhaps that is something that you might wish to be involved in as well as necessarily some of this is commercial and cannot be discussed in public.



**Keith Prince AM (Deputy Chairman):** Yes. Please, I am very short on time, thank you, but just to say they have not responded to the letter of 24 December.

**Andrew Boff AM (Chair):** Thank you. Assembly Member Devenish?

**Tony Devenish AM:** Good afternoon, Mr Mayor. In your view, is the LLDC transparent enough in both its culture and governance?

**Sadiq Khan (Mayor of London):** The LLDC has made remarkable progress in the last few years. It is transparent in all the pieces of work that it does and its governance has improved hugely over the last period. When you look at some of the progress made with the East Bank, you can see clearly not just the buildings going up but the transparency in relation to the deals done with the partners there and in relation to the work that has been undertaken with the councils, which in the not-too-distant future will be taking over the planning responsibilities. There are good relationships with them as well and also with the residents through the council representatives who sit on the LLDC, whose board has expertise from the private sector and the public sector as well as paid staff advising them. I have been really impressed by the progress the LLDC has made over the last five years in particular in relation to the deals made with those on the East Bank and also in relation to improving the amount of affordable housing on LLDC land.

**Tony Devenish AM:** I am short on time, Mr Mayor. I would appreciate it if you could write to me with some more specific detail on this because there have been a lot of concerns raised on this issue. Thank you.

**Andrew Boff AM (Chair):** There being no other indications on this section, we will now move on to the OPDC. The Labour Group will ask the first question and that will be Assembly Member Hirani.

#### **(vii) Old Oak and Park Royal Development Corporation Budget Component**

**Krupesh Hirani AM:** Good afternoon, Mr Mayor. How will your budget accelerate progress in the OPDC area?

**Sadiq Khan (Mayor of London):** Thank you for your question and I appreciate, bearing in mind the area you represent, you have some skin in the game in relation to the geographical area covered by the OPDC and where its office currently is as well.

Look, the key thing that we have to do over the course of the next 12 months is to try to make sure that the local plan is adopted. We need to work with the Government to organise the land that it is responsible for. In the [OPDC] Chair's opening, she mentioned Network Rail. There is High Speed 2 (HS2) as well of course in that part of London. We then have to work with the Government in relation to some funding for enabling infrastructure work, which is really important, and then we have to find a private-sector master developer partner.

Just to show the really good working relationship between us and central Government, I will be visiting Old Oak Common with Ministers from the Government shortly to show them the potential of this fantastic brownfield site.

**Krupesh Hirani AM:** It is great to hear you are getting the input from the Government as well. How do we get the Government and its agency, which have the majority of the landholding where the development is

taking place, to make early decisions so that we get the maximum benefit for this project and that security that it will go ahead?

**Sadiq Khan (Mayor of London):** DfT, Network Rail and HS2, which are the landowners, understand the importance of us developing this huge brownfield site, the biggest in our city. The fact that there are Ministers from two departments - the Department for Levelling Up, Housing and Communities and the DfT - going with me on the visit shows the Government is talking to each other going forward. The Government realises - because it only last year, in 2020 or 2021, gave the green light for HS2 - that it would be nonsensical for the most expensive station ever built in the country at Old Oak Common to be one where, as you come out of the station, all it has is industrial sheds. It is in everyone's interest to get development here, not least the constituents of yours including those at Park Royal. There is an appetite there and we are trying to work with the Government, once we have the local plan adopted, to make quick progress.

**Krupesh Hirani AM:** I have been envious of some of the pictures I have seen of you at the new Elizabeth line stations this week. On the theme of transport as well, there will be an important interchange with HS2 and Crossrail going forward as well. How will you accelerate the creation of green spaces and sustainable transport methods within the OPDC area?

**Sadiq Khan (Mayor of London):** You are right. There is the Great Western, there is HS2 and there is the Elizabeth line. That junction is really important.

We are already doing work in relation to solar and we are working with Park Royal about decarbonising. Park Royal, as you know, is the biggest industrial park in the city. It does a great amount of work. It has already struggled during this pandemic. Some of the work we have already been doing and the OPDC has already been doing is about decarbonising. Some of that work takes place at Park Royal.

One of the reasons, by the way, we need funding from the Government around enabling infrastructure is to support this agenda as well. It would be nonsensical if we were to focus only on roads. We need to focus on green spaces, on walking, on cycling and on, as you say, having an interchange there that encourages public transport use.

**Krupesh Hirani AM:** Great. Just a final question from me: how can your budget also unlock early delivery of the 1,500 housing starts on the OPDC site by 2028? Is there any hope of it being brought forward to alleviate some of the housing pressures we have, which are ever so urgent?

**Sadiq Khan (Mayor of London):** Yes. The good news is we have already given planning permission for a number - I think 6,000 - homes on the site. Almost 3,000 are already completed. Many more are coming on stream over the course of the next few months. That is the good news.

One of the other reasons why you should be optimistic is we are now talking about the western part of the site where the land is owned by the Government or agencies or organs of the Government. That is good as well because what we are not doing is having to do a compulsory purchase order (CPO) with a private landowner whose land value has gone up hugely. Actually, there is more reason for you to be optimistic going forward.

**Andrew Boff AM (Chair):** Thank you very much. We have now reached the end of our question-and-answer session. Thank you to the Mayor and officers for answering our questions.