

MAYOR OF LONDON**John Biggs AM**

Chairman of the Budget & Performance Committee
City Hall
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Our ref: MGLA151214-4553

150112 Pre-Budget Report

Date: 12 JAN 2015

Dear John

Pre-Budget Report

Thank you for your Committee's Pre-Budget Report for 2014. Responses to your recommendations that are available before your Committee's meeting on 13 January are set out below.

Recommendation 1

Starting from the first quarter of 2015-16, MOPAC should publish the full results of the Public Attitudes Survey on the London Datastore each quarter.

We are awaiting a response from MOPAC to this recommendation which will be sent to you as soon as possible.

Recommendation 2

The Mayor must make the GLA's 2015-16 funding to organisations such as London & Partners dependent on them signing up to the same standards of transparency as applies to the GLA Group. This would apply to organisations where the GLA has a material interest, for example where:

The GLA provides funding of 50 per cent or more of an organisation's gross revenue budget.

The Mayor or GLA has the power to appoint the Chair or members of the Board.

A number of bodies are in receipt of grant funding from the GLA to cover their core costs. They are: London & Partners, the Museum of London, MedCity, SMEWFL, Film London, and the London Design Festival. In each case different transparency arrangements will be appropriate given the nature of the business being conducted.

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The grant agreement with each body will set out exactly what is required. As each grant agreement comes up for renewal, I am ensuring that GLA officers consider what additional requirements it might be appropriate to include by way of transparency. The areas I have asked officers to focus on are:

- Board decision-making;
- Business planning (and business plan timetable) and key performance indicator data; and
- Senior staff remuneration and declarations of gifts and hospitality.

Recommendation 3

For these organisations, the GLA should make funding from the 2016 17 budget round onwards dependent on them publishing their business plans by the end of December in preceding financial years to assist the Assembly's scrutiny of the Mayor's budget.

See answer to 2 above.

Recommendation 4

The GLA needs to set out in as much detail as possible the costs and risks of the Old Oak and Park Royal Development Corporation before the Assembly is asked to consider the proposal on 17 December.

Information was considered at the Assembly's meeting on 17 December 2014.

Recommendation 5

The Mayor's budget should set out how it will help address the risks to meeting the Mayor's targets for apprenticeships and cuts to carbon dioxide emissions.

The Consultation Document addressed these risks.

Recommendation 6

TfL should review the impact of the introduction of the Pay As You Go daily cap after six months, and publish its findings.

TfL is happy to conduct such a review.

Recommendation 7

The Mayor should seek an agreement with DfT, TfL and IIPAG that all IIPAG reports should be published, and IIPAG's work programme should be published and regularly updated on TfL's website from 1 April 2015.

TfL and IIPAG already publish significant amounts of information in respect of the investment programme. TfL publish quarterly reports on all capital projects over £50m in their Investment Programme Report (IPR). The IPR provides a summary of the project scope and of progress. The IPR also contains data and variance reports against both baseline and previous quarter costs and schedule performance.

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The IIPAG work plan and budget is already published every year in the papers for the June meeting of TfL's Finance and Policy Committee (the current workplan was published on 5 June 2014). In July each year, the Finance & Policy Committee receives a copy of the IIPAG Annual Report for the previous year, which reports against the workplan for that year. IIPAG's Annual Report summarises its findings throughout the year, both on specific projects and systemic issues. In addition, its annual benchmarking report covers both maintenance and project works.

IIPAG maintains its independence through its ability to prepare its own project reports for TfL's operating boards. IIPAG attends each meeting of the Finance & Policy Committee and is invited to comment on the assurance process and the management response to IIPAG reviews for individual projects seeking project authority. IIPAG has direct access to the Chairman of the Committee, as well as to myself and the Secretary of State for Transport should escalation be necessary. The interests of transparency of course have to be balanced against IIPAG's ability to examine and comment frankly on issues, including commercially confidential matters. I would not wish the effectiveness of IIPAG's advice to TfL and the TfL Board to be compromised by a prior agreement to publish their conclusions.

Recommendation 8

Before 1 April 2015, the Mayor should set annual targets for affordable housing completions in 2015-16, 2016-17 and 2017-18, including specific targets for larger family homes (four bedrooms or more).

I will consider these as part of the annual affordable housing target setting process early in the next financial year. I would like to note that any annual targets would be subject to change, dependent on delivery, and that an associated target of number of bed-spaces in homes may be more appropriate than solely focusing on those with four-bedrooms or more.

Recommendation 9

The Met should provide the Committee with a progress update on its technology savings and reforms in March 2015 (as per its commitment in response to the Committee's Smart Policing report of August 2013).

I agree with this recommendation.

Recommendation 10

MOPAC and the Met should publish a summary of the Target Operating Model they are developing based on their vision of the Met in 2020. MOPAC, in its response to this report, should commit to publishing this summary in summer 2015.

- *Rather than focusing only on total police officer numbers, the model should set out the Met's future capacity using OPM analysis.*
- *The vision should include a realistic assessment about the national commitments the Met can continue to make.*

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We are awaiting a response from MOPAC to this recommendation which will be sent to you as soon as possible.

Yours ever,



Boris Johnson
Mayor of London

Cc: Sir Ed Lister, Chief of Staff, GLA
Martin Clarke, Executive Director of Resources, GLA
David Gallie, Assistant Director Group Finance, GLA