

**London Assembly (Mayor's Question Time) – 26 February 2014**  
**Transcript of Agenda Item 3 – Mayor's Report**

**Darren Johnson AM (Chair):** The Mayor is going to provide an oral update of up to five minutes in length on matters that have occurred since the publication of the report. Once the Mayor has provided that update, there will be a chance for Members to come in with supplementary questions on that update.

Groups have requested that the following issues be covered in the update: both the Liberal Democrat Group and the Labour Group have asked for an update on the Barclays Cycle Hire sponsorship deal and the Labour group has also asked for an update on the underspend in the affordable house-building programme. Mayor, over to you.

**Boris Johnson (Mayor of London):** Thank you, Darren. I am going to keep it fairly snappy this morning, Darren, because we have all met recently to discuss the budget, as you will recall, Members of the Assembly, and I am very glad and very grateful to all of those of you who passed that budget. It was very good of you. Thank you very much. It of course enables us to deliver £350 million worth of savings and efficiencies across the Greater London Authority (GLA) group. We have £1.25 billion of funding for affordable homes over 2015-18 and funding for 2,600 more police officers on the front line. We are of course pushing forward with great schemes for London, new crossings of the river and Crossrail 2, whilst bearing down on council tax and indeed on fares. Just on council tax, I would point out that Londoners will benefit from a reduction in their council tax as the GLA's portion will fall from £303 to £299, the first time it has been under £300 for years. This reduction equates to a 24% reduction in real terms since I was elected, by contrast with the 152% increase that took place under the previous administration.

I have been asked to update you, Members of the Assembly, about a couple of things to do with the Cycle Hire Scheme. You will be familiar with the £25 million that we have secured from Barclays to cover the cost of the Cycle Hire Scheme. They are committed to paying that in full and obviously that helps us defray the costs of all the investment in cycle hire, including stage 3, the rollout to southwest London.

You have asked me about the Affordable Homes Programme and how that is going. What I can certainly tell you is that we are on course to deliver a record number of 100,000 new affordable homes over the two terms of this Mayoralty. That is pretty remarkable, considering the very adverse financial climate that we have been going through.

One more point just on cycling. I think I am going to be announcing this today. It says tomorrow but it must be today. Never mind. I am going to announce it now anyway. We are ripping out -- we are transforming a load of roundabouts and gyratory systems in London at long last. There is a £300 million programme to improve safety and to improve the lives of cyclists and pedestrians at Archway, at Aldgate, Swiss Cottage and Wandsworth, amongst other places. I am sure there will be lots more details of this fantastic programme being released later today and I am sure cyclists around London will want to see that. I hope very much that they will welcome it.

**Darren Johnson AM (Chair):** I am going to take questions on the Cycle Hire Scheme and the new home-building programme first and then we will move on to the other matters you raised.

Firstly, I have been asked if you can just give a brief recap on what you said on the Barclays Cycle Hire sponsorship deal, just for the benefit of Members.

**Boris Johnson (Mayor of London):** Are you asking me to repeat it?

**Darren Johnson AM (Chair):** You rushed through it so quickly that I do not think everyone grasped it.

**Boris Johnson (Mayor of London):** Forgive me if I spoke too quickly. As Members will know, there is a commitment by Barclays, a well-known financial institution in this city and indeed in this country, to pay the full sum of £25 million towards cycle hire. It is a commitment they are going to honour and it will obviously enable us to defray the cost of our investment in the Cycle Hire Scheme. That includes, logically, the extension of cycle hire to stage 3, the pushing-out of the blue bicycles to Wandsworth and other parts of southwest London. Do you need me to say that again?

**Darren Johnson AM (Chair):** Thank you for that recap. I think we all have it now.

**Caroline Pidgeon MBE AM:** Thank you very much. It is very interesting that you say they will “honour” this £25 million, but back in July 2011 you suggested more money was coming. In fact, you said:

*“I can announce we are now planning to swathe a huge chunk of the west of our city with our beautiful blue bikes. My thanks go to Barclays --”*

**Boris Johnson (Mayor of London):** Hear, hear!

**Caroline Pidgeon MBE AM:**

*“-- for the benevolence they have demonstrated with their latest bestowal of funds and that we can confirm the extension of their sponsorship agreement.”*

The truth is Barclays did not pay up and actually it is the taxpayers, particularly in those west London boroughs, who have paid for these bikes instead.

**Boris Johnson (Mayor of London):** No. Of course, it is true that we have had a contribution from the boroughs themselves and I am obliged. I think I am right in saying that --

**Caroline Pidgeon MBE AM:** Barclays have not paid a penny for this further extension.

**Boris Johnson (Mayor of London):** Hang on, Caroline. Hold your horses. I think I am right in saying that the role that Hammersmith and Fulham, Kensington and Chelsea, Lambeth and Wandsworth have all coughed up £4.6 million, for which we are grateful. In that sense, there is a contribution from the taxpayers of that part of London. That is the right investment, by the way, for those councils. I congratulate them on that.

It means it is logically true that the £25 million is very handy and enables us to, as I say, defray and to abate the cost of investment in cycling. As everybody knows, it does not cover the whole cost of our cycling scheme and nobody ever pretended that that was going to be easy to do. I think most observers of how the whole thing began will accept that Barclays was far and away the biggest potential sponsor. They came up with a

multiple of what the other potential sponsors were offering, from my memory of it, and they are going honour the £25 million.

**Caroline Pidgeon MBE AM:** That is very interesting, but I think most of us feel that this sponsorship deal has been a fiasco from start to finish.

**Boris Johnson (Mayor of London):** Who would you have had sponsor it? The unions?

**Caroline Pidgeon MBE AM:** As Barclays has said it wants to leave, will you guarantee that you are going to learn lessons moving forward and that the new sponsors will actually cover the Cycle Hire Scheme costs? You said it would be self-financing. It has not been. Will you guarantee that any new sponsor or sponsors going forward will cover the full operating costs of the scheme?

**Boris Johnson (Mayor of London):** I take it a little bit awry to be told by my coalition partners, as we must call them for however long I do not know, not necessarily here in City Hall --

**Caroline Pidgeon MBE AM:** Mr Mayor, there is no coalition here at City Hall.

**Boris Johnson (Mayor of London):** -- that this sponsorship deal has been a "fiasco", when actually I look back over the record of the previous administration. Let me ask Members how much in sponsorship for London did that administration secure?

**Caroline Pidgeon MBE AM:** I am not asking about the previous administration, Mr Mayor. I am asking about you and your deal with Barclays Bank.

**Boris Johnson (Mayor of London):** How much did they get for cycling in London?

**Darren Johnson AM (Chair):** If we can focus on this administration.

**Boris Johnson (Mayor of London):** The answer is in the vicinity of zero.

**Caroline Pidgeon MBE AM:** Focus on your record on the hire bikes, Mr Mayor, and answer the questions.

**Boris Johnson (Mayor of London):** There was no sponsorship deal that was on offer, Caroline, that came anywhere near matching Barclays. It has been a great deal for us so far and obviously what we are looking at now is a new sponsorship and we are actively in discussions with potential partners. I am sure Londoners will be interested in that and we want to take it forward.

**Caroline Pidgeon MBE AM:** That is good to hear. Will there be an open competition for the new sponsor or sponsors?

**Boris Johnson (Mayor of London):** Of course there will be a fully competitive process. It is being organised by IMG, the world's largest sponsorship agency, which is putting together the package for potential sponsors. Internationally, if you talk to people who look at London and want to invest in London, they see the Cycle Hire Scheme as one of the great successes and one of the things they love about the city. There are lots of brands that want to get involved in it, so I would not be downhearted, not that you ever are downhearted, Caroline.

**Caroline Pidgeon MBE AM:** Moving forward, I am not downhearted about this. Can we, Mr Mayor, get some clarity on the Barclays sponsorship deal? Will you now agree to publish a clear statement, phase by phase, of how much the Cycle Hire Scheme has cost, how much Barclays has paid, how much Transport for London (TfL) has paid, boroughs and others, so it is clear and in the public domain?

**Boris Johnson (Mayor of London):** I am fairly certain all that information is already in the public domain, Caroline.

**Caroline Pidgeon MBE AM:** Will you put it all in one single statement?

**Boris Johnson (Mayor of London):** If there is anything that we can be more helpful without obviously breaching commercial confidentiality or whatever, then we will do our best to oblige you.

**Caroline Pidgeon MBE AM:** One statement, yes. Thank you very much.

**Valerie Shawcross CBE AM:** Of course, we all support the Cycle Hire Scheme. It is a great innovation.

However, there is indeed quite a lot of confusion surrounding the nature of the deal now with Barclays. You did announce in July 2011, as Caroline has said, that there would be an additional £25 million worth of sponsorship - I am quoting from one of your press releases, Mr Mayor - bringing the sponsorship up to £50 million and:

*"The extra funding will help the scheme to expand throughout west and southwest London by the summer of 2013."*

Of course, the original contract, which I enjoyed reading, did specify that the extensions to be covered under the first £25 million were simply extension 1 and the phase 2 extension, so phase 3 was explicitly meant to be part of a second sponsorship deal.

At what point, Mr Mayor, did you know that this second £25 million to extend the Cycle Hire Scheme into the southwest was not going to be forthcoming? When did you know that that deal had not been signed?

**Boris Johnson (Mayor of London):** As you will have spotted, late last year or whenever we did the rollout to southwest London, we announced that Barclays was not going forward with the prolongation of their commitment and obviously that is entirely a matter for them. They have to cut their coat to suit their cloth. They have all sorts of things they have to pay for, I suppose. Whilst I regret that, it is by no means the end of the world. It gives us the opportunity to attract new sponsors and to get a new partner.

Just to get back to your point about whether one slug of £25 million was supposed to cover this bit or that bit of the Cycle Hire Scheme, it is really irrelevant. We were going to roll out the scheme to the southwest anyway. We will have £25 million from Barclays. That represents a very good contribution.

**Valerie Shawcross CBE AM:** Are you saying that you did not know that Barclays was not actually going to sign the contract for the second tranche of sponsorship until you announced it at the end of 2013?

**Boris Johnson (Mayor of London):** That is correct. My understanding was that they were going to go ahead. They had a change of regime at Barclays - which is perfectly fine - and the new regime at Barclays decided this was not their priority. There we are. It gives us, as I say, the opportunity to go ahead and find a new sponsor.

**Valerie Shawcross CBE AM:** In the two years that this negotiation with Barclays for the second tranche of funding was going ahead, you took a decision to roll out the third extension into the southwest without a promise of the Barclays funding --

**Boris Johnson (Mayor of London):** Yes, I did.

**Valerie Shawcross CBE AM:** -- but in fact you put Barclays branding all over those additional 2,000 bikes. In terms of protecting the public interest, why did you decide to put Barclays sponsorship on those bikes if Barclays were very clearly not signed up to paying for it at that point?

**Boris Johnson (Mayor of London):** You are trying too schematically to carve up bits of the Cycle Hire Scheme and say that this or that was covered by this or that contribution from Barclays. What we wanted to do was to expand the Cycle Hire Scheme, a decision, by the way, that I defend. It was the right thing to do. If you say we should not have expanded the Cycle Hire Scheme and you want to deprive the people of southwest London and if it is your policy to deprive the people of Lambeth of bicycles, then 'fess up now. If that is what you want to do, if it is the Labour policy to roll back the bicycles, to stop Barclays having any kind of publicity, come on, then, and be frank with the electorate.

**Valerie Shawcross CBE AM:** Mr Mayor, we very much support the extensions.

**Boris Johnson (Mayor of London):** Do you?

**Valerie Shawcross CBE AM:** In fact, as you have said, the councils have paid for it. The councils do not have their branding on these bikes. Barclays does. Did you realise, then, when you were signing this original contract, that you had given - from what you are saying - exclusive naming rights to the Barclays Cycle Hire Scheme, including all the future extensions, whether or not Barclays was going to pay for it?

**Boris Johnson (Mayor of London):** It is called the Barclays Cycle Hire Scheme. Indeed, Barclays gets very cheesed off because these bicycles are sometimes wrongly named and that is totally inappropriate. It is quite right that they should be called Barclays bikes and that is entirely accurate.

**Valerie Shawcross CBE AM:** You knowingly handed sponsorship rights for this Barclays Cycle Hire Scheme, if it was ever extended, regardless of whether or not Barclays was going to pay for that additional advertising? You gave them an open-handed sponsorship deal --

**Boris Johnson (Mayor of London):** No, Barclays have paid or will have paid £25 million, which is much more than any other potential sponsor was offering. That £25 million, as you will readily understand, helps us to abate the cost of expanding the Cycle Hire Scheme to the southwest. If you think that we should not have taken that money because it is tainted with the name of a bank --

**Valerie Shawcross CBE AM:** Sorry, you are filibustering a bit now.

**Boris Johnson (Mayor of London):** -- or if you think that the Cycle Hire Scheme should be withdrawn from southwest London or if you want to curtail the Cycle Hire Scheme, then be clear about it.

**Valerie Shawcross CBE AM:** The original contract protecting the public interest said the Cycle Hire Scheme for five years and two extensions would cost Barclays £25 million, although in fact they have taken £2 million back anyway, but that is another issue. It would cost £25 million. In the heads of terms for the second tranche of sponsorship, which was never actually signed off, there was £10 million notionally for the extension. That was contract was never signed and that additional sponsorship was never delivered, but you handed Barclays 2,000 bikes' worth of sponsorship in west London.

**Boris Johnson (Mayor of London):** No. Rubbish. Val, you are talking rubbish.

**Valerie Shawcross CBE AM:** It seems to me, Mr Mayor, that you have confirmed that you were going to allow Barclays to have sponsorship of these bikes, whether or not it was going to pay for them.

**Boris Johnson (Mayor of London):** Just to clear up the confusion in your head, Barclays is making, pro rata, a bigger contribution to phase 3 than they were to the two previous phases. Do not forget that this is because the contribution goes to the operating cost of the scheme rather than the capital cost, as you well know or as you should know if you had actually studied these documents in the detail that you claim. Barclays is sponsoring the revenue cost rather than the capital cost. Since the capital cost of stage 3 is less than the capital cost of the earlier stages, they are making pro rata a bigger contribution to that phase than to the two previous phases. Put that in your pipe and smoke it.

**Valerie Shawcross CBE AM:** Mr Mayor, I would like my colleague to pick this up, but I just want to reiterate the press release from your office in 2010. This is about the £25 million second tranche of sponsorship, which never materialised:

*"The extra funding will help the scheme to expand throughout west and southwest London by the summer of 2013."*

That was what was smoking in your pipe in 2011, Mr Mayor.

**Boris Johnson (Mayor of London):** I do not know what you have been smoking in your pipe, Val, but I can humbly and sincerely repeat to you my gratitude to you for your support of cycle hire. I take it that you do not want to withdraw the bikes from southwest London. I take it that you do support the £25 million Barclays contribution to cycle hire so far and I am glad, therefore, that you appreciate that Barclays pro rata has contributed more to the cycle hire phase 3 rollout in southwest London than it did to phases 1 and 2. The key thing is that the cycle hire has been a great success. It is one of the things about London that people love to look at, as I said, and we are now working actively to get new sponsors.

**Darren Johnson AM (Chair):** Thank you very much. Can I at this stage welcome Kingsley Primary School from Croydon who have now made it? Welcome. Hopefully you have not brought any pipes or are planning to do any smoking.

**Len Duvall AM:** Mr Mayor, it is not £25 million, is it? It is actually £23 million because you are going to give £2 million back to Barclays in the penalties for the failures of the scheme. We have your statement coming out of your office saying there is a new deal on the table for an extra £25 million coming out of Barclays and you

are saying, "No, it is only £25 million and that is it and we have to take it at that". The heads of terms of agreement in the summer of 2011 knock back everything you just said because the expectation was that Barclays was going to make more of a contribution to phase 3. You cannot rewrite history. Both in the statement issued by your office --

**Boris Johnson (Mayor of London):** I am not rewriting. I am just telling you the facts of the case.

**Len Duvall AM:** -- by your Deputy Mayor or whatever you called him at the time [Kulveer Ranger, former Director for Transport Policy, GLA], all done in your name and by the officers doing it in your name. In fact, we should give some praise to MayorWatch and Martin Hoscik for getting the terms of agreement out in the public when you should have been offering it in the so-called 'administration of transparency'. It is anything but in terms of this contract.

**Boris Johnson (Mayor of London):** Nonsense.

**Len Duvall AM:** No, Mr Mayor. Everybody wants the Barclays Cycle Hire Scheme to be successful and we want you to be successful --

**Boris Johnson (Mayor of London):** Great. That is the spirit. Yes.

**Len Duvall AM:** -- but what we do not want you to do is to give £10 million worth of free advertising to Barclays and have Londoners lose out.

**Boris Johnson (Mayor of London):** No, Len, that is wrong.

**Len Duvall AM:** Experts believe that in the initial stages of the awarding of this sponsorship you undersold it by £10 million. You actually, Mr Mayor, have lost Londoners many millions of pounds. In that sense, Mr Mayor, going back to your own issues, I am even more surprised that you are not referring to Barclays' strange press release on Friday night because they believe they might owe you £10 million over the £25 million. You are selling Londoners short. This is nothing short of incompetence about these issues. Mr Mayor, I want to remind you --

**Boris Johnson (Mayor of London):** Come off it. Len, you sat here in this place --

**Len Duvall AM:** -- of what you said in 2008. I am the in party that believes in subsidies. You are meant to be in the party that does not. You said in the 2008 manifesto that the Cycle Hire Scheme would not cost the taxpayers a penny. That is a promise that is rather hollow now and you are losing Londoners many millions. Back on to the day job.

**Boris Johnson (Mayor of London):** I am not sure I found a question in that great farrago of nonsense, but I will nonetheless try my best to reply if I can. The basic allegation or question was: is this value for money for Londoners and why do you not have more money out of Barclays?

**Len Duvall AM:** No, you are wasting Londoners' money and taking another £10 million out of them.

**Boris Johnson (Mayor of London):** That seemed to be the question, if there was a question. It really, as I say, comes pretty oddly from people who sat here like great passive Buddhas doing absolutely nothing to get

sponsorship or leverage in private finance during the period when they were licking the boots of the previous administration. They did absolutely nothing to get in cash from the private sector. We have the thick end of £100 million worth of sponsorship that I have got in one way or the other personally for the city for schemes that will be of great benefit to London. As I say, the support from Barclays was very much more than any other potential sponsor was willing to contribute. I remain grateful to them.

If the Labour Party has an alternative sponsor for the Cycle Hire Scheme – perhaps the RMT union or something like that – or if they have some brilliant idea for who could cough up, then I am all ears. I have not, I have to say, heard anything remotely approaching a credible idea from that side of the Assembly. Therefore, I am inclined to take Mr Duvall’s criticisms with a pinch of salt.

**Len Duvall AM:** Chair, there is a pattern of behaviour when the Mayor gets found out he resorts to abuse of Assembly Members and you should step in and question him.

**Boris Johnson (Mayor of London):** Abuse? I did not abuse you.

**Len Duvall AM:** Mr Mayor, it is not about the work you are doing on sponsorship. It is about whether you are getting the right level of money back from Barclays. Your own admission, your own actions from your office and your own actions from TfL actually just knocked back everything you have told this Assembly this morning.

**Boris Johnson (Mayor of London):** That is not true, no.

**Len Duvall AM:** It is not true what you are saying about the £25 million. That was not the expectation. You need to go back to Barclays. You have given them £10 million worth of free advertising in the southwest. You need to get that £10 million off them. The £25 million you mention is not actually £25 million; it is £23 million. You cannot even get that bit right. You need to get on top of this job and start battling for Londoners and winning back some of this money that needs to come back from this scheme.

**Boris Johnson (Mayor of London):** If I may, Darren, you have just allowed Len effectively to repeat himself, I am obliged, therefore, to repeat my answer. That is, as I will laboriously repeat for the benefit of Len, Valerie [Shawcross AM] and everybody else, if you look at the contribution Barclays is making to stage 3 and if you accept – which is of course the case – that this is to cover the revenue cost, not the capital cost, then pro rata they are making a bigger contribution to stage 3 than they did to stages 1 and 2. That is the first point.

The second point is that if you want to direct a volley of abuse to me for not getting enough sponsorship from a bank, then let me just remind you of the simple facts. When the Cycle Hire Scheme was launched, Barclays was by far the biggest potential sponsor. We did very well to get that sum.

**Len Duvall AM:** No, it was not, Mr Mayor. I do not think it was.

**Boris Johnson (Mayor of London):** It was many millions more in sponsorship than was ever achieved by the previous administration. I am very confident that the Cycle Hire Scheme, having been the success it is, will continue to attract widespread interest from sponsors around the world.



**Richard Tracey AM:** Mr Mayor, are you aware that the people of Wandsworth – unlike, clearly, the people of Lambeth whom Valerie Shawcross represents – and, I imagine, Hammersmith and Fulham are very grateful to you for extending the Cycle Hire Scheme into the west of London. In fact, there has been a very good take-up of the bike hire, particularly during the recent strike on the Tube when all the bikes were cleared from their docking stations and had to be replenished. It is actually a very good move, despite this mealy-mouthed criticism you are hearing from the other side.

**Boris Johnson (Mayor of London):** Mealy-mouthed. That is exactly right, Richard. I could not fail to disagree with you less. You are absolutely right and the Cycle Hire Scheme has been great for the whole of London.

It may be of interest to people to know how we see what needs to be done next. I would like obviously to expand it all over the city as fast as we can, but if you look at how it is operating at the moment we would benefit in the next phase from some intensification in the existing zone. That is what we are going to do. We are going to be building up the presence of cycle hire docking stations so that people's experience improves. One of the things people always say to me is how frustrating it is that they cannot find a nearby docking station that will enable them to put their bike away at the end of their ride. We want to improve the experience of the scheme in the centre as well as pushing out to further areas.

**Richard Tracey AM:** Will you be looking at much more detailed management of the scheme, then? Clearly, it was an initial scheme. There were going to be teething troubles and clearly you have to look at them. Perhaps, also, will you be looking at multiple sponsors rather than simply one as we have had this time? If one drops out, then others can step up.

**Boris Johnson (Mayor of London):** You could look at that. We are looking at all sorts of things. You are exactly right to look at that sort of idea. Barclays has been great, but it would be fair to say we are looking for a partner that is actively engaged and interested in cycling and has a bit of a missionary spirit about it. That is what we are looking for as well.

**Richard Tracey AM:** With the TfL sponsorship team now in place – and the GLA Conservatives had been calling for TfL, in seeking sponsorship, to be much stronger – are you convinced that the TfL sponsorship team is now building up and is as good as it can be?

**Boris Johnson (Mayor of London):** Yes I am. I mentioned to Valerie [Shawcross AM] about the role of IMG in seeking to get that sponsorship. We have a different team now in TfL that is working on the sponsorship side of things. Really, when you look at how fast they did cycle hire from a standing start in 2010, to get it going in the way that they have has been unbelievably fast. The logistics were incredibly difficult. You had to negotiate with each borough about each patch of pavement to put the docking stations in. It was by no means easy. Actually, TfL has done a blindingly good job. Some of the attacks are a little bit misplaced.

**Richard Tracey AM:** May I also take the opportunity to thank you for your announcement this morning about the extra help you are going to give to cycling in London by, as you say, ripping out various relics of the last 20, 30 or 40 years to improve the whole road layout for cyclists?

**Boris Johnson (Mayor of London):** Yes. That is part of a ginormous programme with £913 million worth of investment in cycling, in roundabouts and in junctions. This is not just for the benefit of cyclists – for motorists

watching this in a crossway thinking this is all just for cyclists - but actually it will be for the benefit of all road users as well.

**Jenny Jones AM:** Mr Mayor, I sit here in absolute awe of the number of times you can spend that paltry £25 million that Barclays gave you.

**Boris Johnson (Mayor of London):** Poultry? Chicken feed? A poultry sum?

**Jenny Jones AM:** Where does it say that Barclays is paying for the third phase? As far as I can see, you have spent that money already. In fact, the whole scheme has cost well over £100 million. Barclays has given you £25 million or £23 million or whatever. You should be calling it the Taxpayers' Cycle Hire Scheme, not the Barclays Cycle Hire Scheme. Where does it say in the contract that the third phase will be paid for by Barclays or any component of it?

**Boris Johnson (Mayor of London):** As I say, you are asking a completely meaningless question because the contribution --

**Jenny Jones AM:** No, Mr Mayor. You do not have the answer. That is the problem. You do not know the detail.

**Boris Johnson (Mayor of London):** The contribution that Barclays has made --

**Jenny Jones AM:** You are making things up. You are coming here in front of people whose job it is to scrutinise you and you sit there and you make things up to amuse the audience.

**Boris Johnson (Mayor of London):** I am not. I am only --

**Jenny Jones AM:** We would all like to get lots of laughs from this audience, but you are responsible to Londoners --

**Boris Johnson (Mayor of London):** Can I just tell the audience? Here is the brief that I have from Transport --

**Jenny Jones AM:** -- for a big mistake on the Cycle Hire Scheme. You must know that all of your dealings with Barclays have been flawed. You have spent that money many times over. If you are putting a southwest extension, you should be going down there this afternoon with a pot of paint and a paintbrush.

**Boris Johnson (Mayor of London):** I think you are so consumed with loathing for banks or sponsorship of any kind that you are determined --

**Jenny Jones AM:** You should be painting out 'Barclays' and putting 'Taxpayers' on the logo.

**Darren Johnson AM (Chair):** You will get time to come back in a second.

**Boris Johnson (Mayor of London):** You are so consumed with loathing. You so hate the private sector that you will do almost anything to cast aspersions on what has been a fantastic deal for London.

**Jenny Jones AM:** Have you already spent the £25 million Barclays has given you?

**Boris Johnson (Mayor of London):** Let me repeat. Let me repeat what --

**Jenny Jones AM:** I have asked you a direct question. Mr Mayor, have you spent the £25 million or £23 million that Barclays has already given?

**Boris Johnson (Mayor of London):** Let me --

**Jenny Jones AM:** He cannot answer the first question. He does not know the answer.

**Boris Johnson (Mayor of London):** What was the first question?

**Jenny Jones AM:** Where in the contract does it say that Barclays is going to pay for the third phase?

**Boris Johnson (Mayor of London):** Because you say I come here and make things up, here is the brief. Here is the *ipsissima verba* of TfL --

**Jenny Jones AM:** You lied to Parliament. You lied to Parliament --

**Darren Johnson AM (Chair):** Do not interrupt.

**Boris Johnson (Mayor of London):** This is what TfL has committed me to say. With the commitment to the full £25 million, Barclays is making a pro rata contribution to phase 3 that is even higher than its commitment to the previous phases and Barclays was, of course, by far the highest offer received when the sponsorship was first put out.

**Jenny Jones AM:** You are repeating yourself, Mr Mayor, and it is getting a little bit boring for all of us. You do not want to be boring, do you?

**Boris Johnson (Mayor of London):** I think most Londoners listening to these exchanges would think that it is unbelievable that you should have such a horror of private sponsorship that you continue to seek to attack what I think is a very good deal.

**Jenny Jones AM:** I have a copy of the contract here, so I can give you the answer to my question, which you obviously do not have. The contract here actually says that they will be involved in phase 1 and phase 2. It does not mention anything about phase 3. The whole southwest extension has nothing to do with Barclays and you said the money will defray the costs for the southwest extension. That is absolute nonsense.

**Boris Johnson (Mayor of London):** Of course it is not. Come off it. Valerie [Shawcross AM] failed to get the point across. Len [Duvall AM] failed. I saw him go around to brief you and try to get you to have another go at this complete vacuous point. Barclays has made a very --

**Jenny Jones AM:** When you do not know the answer to questions, you attack us and are offensive to us.

**Boris Johnson (Mayor of London):** So what? So you then attack me?

**Jenny Jones AM:** You do not know the answers.

**Boris Johnson (Mayor of London):** I do know the answers.

**Jenny Jones AM:** You are meant to come here and give us answers, not sit there and repeat yourself endlessly.

**Boris Johnson (Mayor of London):** I have given you the answer and, if you like, I will repeat the answer. The answer is that we have got more from Barclays than we could conceivably have got from any other sponsor.

**Jenny Jones AM:** Repetition, Mr Mayor. Repetition.

**Boris Johnson (Mayor of London):** If you keep asking the same question, I am going to repeat the answer.

**Jenny Jones AM:** Boring.

**Darren Johnson AM (Chair):** Thank you. I am going to call Assembly Member Cleverly, who wishes to make a procedural point.

**James Cleverly AM:** Chair, I had hoped to do this subtly. Baroness [Jenny] Jones knows that there are very few people around this Chamber who have more admiration and respect for her than I do. However, I do think that publicly accusing the Mayor of lying on the floor of the Chamber [of the House of Commons] is not appropriate and I would call upon her to --

**Jenny Jones AM:** He lied to Parliament, so he has form as a liar.

**James Cleverly AM:** -- just think carefully about the accusations made in a public place like this.

**Darren Johnson AM (Chair):** Thank you. Assembly Member Jones, would you like to reflect on those remarks?

**Jenny Jones AM:** I would just like to say that the Mayor is a proven liar to Parliament and so I do not trust him here in this Chamber, either.

**Boris Johnson (Mayor of London):** I am sorry. Would you care to give chapter and verse on that?

**Jenny Jones AM:** Sure.

**Boris Johnson (Mayor of London):** Go on.

**Darren Johnson AM (Chair):** We are not going to debate this but an allegation has been made. I am going to allow the Mayor to respond and give a point of personal explanation.

**Boris Johnson (Mayor of London):** I would like Jenny Jones either to substantiate that or to withdraw it.

**Jenny Jones AM:** I am quite happy to do that. I do not have the information to hand.

**Boris Johnson (Mayor of London):** You do not have the information to hand?

**Jenny Jones AM:** However, I would like to point out the Mayor has accused me of lying before.

**Darren Johnson AM (Chair):** If you make an allegation without evidence, I would like to ask you to reflect on that remark and withdraw it.

**Jenny Jones AM:** I will substantiate my remark.

**Boris Johnson (Mayor of London):** No, I am sorry. If she cannot now substantiate an allegation like that, then I think Jenny should withdraw it.

**Darren Johnson AM (Chair):** I would like to suggest from the chair that you withdraw the allegation from this meeting and that if you have subsequent allegations that you wish to put in writing, you put them in writing and circulate them to Members.

**Jenny Jones AM:** That is a very interesting idea, which I shall reflect on. The Mayor himself has called me a liar on several occasions. I do not see why it is any different him calling me a liar and me calling him a liar. What is the difference?

**Boris Johnson (Mayor of London):** Sorry. Through you, Darren, a very serious and substantial point has been made by Baroness [Jenny] Jones, which relates to my conduct in Parliament - which was some years ago now and I would like her either to substantiate that or to withdraw it.

**Jenny Jones AM:** Chair, I withdraw my remarks.

**Darren Johnson AM (Chair):** She has withdrawn those remarks, so, for the record and for the minutes of this meeting, we will note that Assembly Member Jones has withdrawn those remarks. We will now continue with the meeting. May I call Assembly Member Boff?

**Andrew Boff AM:** Mr Mayor, if you are feeling too sensitive, you have to be called a hypocrite by Jenny Jones first of all. She calls me a hypocrite because I sit on a body that I do not agree with. This is Jenny Jones who recently took up her seat in the House of Lords.

**Darren Johnson AM (Chair):** We are debating cycle hire. We are not debating Assembly Member Jones or the House of Lords.

**Andrew Boff AM:** Mr Mayor, this question is in the way of an apology. I do apologise on behalf of the GLA Conservatives because it was since the publication of two reports by Members of the GLA Conservatives, *Untapped Resources* and *Sealing the Deal*, that have been seized upon by the opposition parties because in both those reports, as you know, we asked for you to pay more concentration towards sponsorship and said that there were indeed untapped resources that could be used to finance public transport initiatives. It now appears that all the opposition parties have seized on this and are now berating you for not using sponsorship enough, so may I apologise on behalf of the GLA Conservatives and especially Gareth Bacon - I shall have a word with him later - for causing you this embarrassment?

**Boris Johnson (Mayor of London):** I will not accept your apology.

**Andrew Boff AM:** It now appears that we are, as an Assembly, unanimous in wanting to see more sponsorship, so the question I am asking you is: will you write to Simon Jenkins [*London Evening Standard* columnist], who, when the *Untapped Resources* report was issued about the need for more sponsorship on the Tube, actually accused the GLA Conservatives of being “aesthetically challenged vulgarians”? Can you write to Simon Jenkins and now say, “The whole London Assembly is aesthetically challenged vulgarians because we want more out of sponsorship, not less”?

**Boris Johnson (Mayor of London):** I am not sure whether it will be necessary for me to write to Sir Simon who is, I am sure, even now watching our proceedings because he is a noted follower of the London Assembly and will be glued to what we are saying. I am sure he will reflect very deeply on the error of his ways.

Clearly, there has been a transformation in the attitudes of the Assembly towards private sponsorship and it is very cheering to hear these calls from the Labour side for more money from banks and more sponsorship by the private sector. That is what they seem to be urging us to achieve and they are on the right track. However, I do pay tribute to the GLA Conservatives who led the way.

**Andrew Boff AM:** Thank you very much.

**Kit Malthouse AM:** I was just going to ask the Mayor if he could, since Richard Tracey raised it, give us that list of gyratory systems that are going to be affected. You fired out a couple - Aldgate and Swiss Cottage - and then did not finish the list.

**Boris Johnson (Mayor of London):** The full list is being published today. I will do my best to oblige you. Archway, Aldgate, Swiss Cottage and Wandsworth are going to be ripped out and replaced with two-way roads, segregated cycle tracks and new traffic-free public spaces.

**Kit Malthouse AM:** In each of those, the gyratory will go?

**Boris Johnson (Mayor of London):** Yes. The Elephant and Castle roundabout, which is currently London’s highest cycle casualty location, is going to be removed. At other intimidating gyratory systems such as Hammersmith and Vauxhall, safe and direct segregated cycle tracks will be installed pending more radical transformations of those areas in the medium term. There is a lot more.

**Kit Malthouse AM:** In what timeframe will the work be done on those?

**Boris Johnson (Mayor of London):** The detailed designs of the schemes will be published next month and work will begin in the second half of this year.

**Kit Malthouse AM:** Thank you.

**Darren Johnson AM (Chair):** Thank you. That concludes the questions on cycle hire and cycling, so we will now come on to Assembly Member Copley who wishes to ask about the new homes budget.

**Tom Copley AM:** Mr Mayor, you are forecasting an underspend this year both on the National Affordable Housing Programme and the Affordable Homes Programme of more than £120 million, which is a 42% underspend. Is this incompetence or is there something else going on here?

**Boris Johnson (Mayor of London):** Of course it is not because what we are doing is trying to incentivise completions of new homes. There was the switchover from the old direct subsidies scheme to the affordable rent scheme and we are now paying by results, which means that we tend to pay on completion rather than on starting. That obviously affects the appearance of the figures, but we are, as I say, on track to deliver a record number of 100,000 affordable homes over this Mayoralty.

**Tom Copley AM:** Why did you budget this money in the first place?

**Boris Johnson (Mayor of London):** It is there to subsidise the completion of new affordable homes. As I explained, what you have highlighted is what looks like an underspend but is actually money that is going to be paid on the completion rather than on the starting of the homes.

**Tom Copley AM:** You have taken this money out of your budget. Where has it actually gone?

**Boris Johnson (Mayor of London):** No, it is going to the completion of new affordable homes upon the completion of those homes. It will, as I say, allow us to continue to build record numbers of affordable homes. While we are at it, Tom, I might just remind you of your own brilliant analysis of the relative performances of Labour and Conservative administrations in building affordable homes.

**Tom Copley AM:** Mr Mayor, I do not think you have clarified for us where this money is going. Is it not the problem, though, that you have set this March 2015 deadline after which housing associations will not receive any money from you unless they have completed and, because of this rigid deadline, it is making providers reluctant to start new homes because they do not think they will finish them in time and they do not think they will receive the money?

**Boris Johnson (Mayor of London):** No. We are confident. Obviously, we are incentivising it as much as we possibly can and I am absolutely confident that we will achieve, for instance, what we said in the 2012 manifesto, which was 55,000 affordable homes by 2015 for low and middle-income workers. That is something that is very important. Even more important, we are going to do 100,000 by 2016.

**Tom Copley AM:** Can you confirm, then, that this £120 million which you say only appears to be missing will all be spent on the Affordable Homes Programme?

**Boris Johnson (Mayor of London):** Yes.

**Tom Copley AM:** Will you also confirm that none of that £120 million is being transferred to your Mayor's Housing Covenant?

**Boris Johnson (Mayor of London):** It is all going to be spent on building new affordable homes and that is the important --

**Tom Copley AM:** Is it going to be spent on building new affordable homes as part of either the National Affordable Housing Programme or the Affordable Homes Programme?

**Boris Johnson (Mayor of London):** All I can tell you, Tom, is that that money is going to go toward building more affordable homes in London, which is what people would expect.

**Tom Copley AM:** As you know, Mr Mayor, you have a number of different schemes. The Mayor's Housing Covenant delivers a different kind of affordable housing. It generally delivers affordable housing for sale rather than for rent, so I just want you to clarify and to confirm that this £120 million which was budgeted for the Affordable Homes Programme and the National Affordable Housing Programme is going to be spent on completions within those two programmes and will not be moved to the Housing Covenant?

**Boris Johnson (Mayor of London):** All I can tell you is that the money is going to be spent on building more affordable homes for London. There will be a mixture of tenures. Obviously there will be homes for part-buy/part-rent because it is very important. I do not see why the benefit of the massive increase in the value of equity in the housing market should be reserved only for those who can afford to take out a full mortgage.

**Tom Copley AM:** Mr Mayor, it might sound like a minor point, but it is not.

**Boris Johnson (Mayor of London):** We should be making cheap home ownership possible and we should be widening tenures. Of course we should.

**Tom Copley AM:** Homes built through your Housing Covenant, as I say, are generally for sale and not for rent and they are far less likely to be family-size homes. Homes built under the Affordable Homes Programme are three times more likely to be family-size homes. You have said that you oppose so-called 'Hobbit homes', small homes --

**Boris Johnson (Mayor of London):** We do.

**Tom Copley AM:** -- as do I and there is unity in the Assembly that we need more family-size housing. This is why it is important, so I will ask you again. Can you confirm that you are not transferring £120 million from the Affordable Homes Programme into the Mayor's Housing Covenant?

**Boris Johnson (Mayor of London):** No, we are using that £120 million to build more affordable homes. I remind you that we have already delivered record numbers by comparison with the previous Labour administration and we will continue to do so.

**Tom Copley AM:** You are now repeating yourself, Mr Mayor.

**Boris Johnson (Mayor of London):** I will just quote what you have said about Labour's record in this matter. You have actually called upon the Labour Party to apologise --

**Tom Copley AM:** Is that why you were fumbling through your notes so frantically? You were not looking for the answer to my question. You were simply looking to attack an Assembly Member.

**Boris Johnson (Mayor of London):** Quite rightly, you called upon the Labour Party to apologise, Tom, and I congratulate you on your visionary comments. You called upon the Labour Party to apologise for its shambolic performance whilst in office when it failed to build in 13 years in office as many council homes as



[former Prime Minister] Margaret Thatcher built in one year in 1990. In 2004, as you brilliantly pointed out, Tom, when the last administration was in office and when they were all sitting there doing not very much, the number of council homes completed fell to – guess what – 130, so I will not take any criticisms about building new homes from a Labour Party that has an absolutely dismal record, as you have been kind enough to admit.

**Tom Copley AM:** Mr Mayor, on your watch, housing completions in this city have fallen to the lowest level that the London Development Database has ever recorded. That is your fault. That is your record. You have been Mayor for six years. You are responsible.

**Boris Johnson (Mayor of London):** Nonsense. We are building a record number and you have tried to beat me up about this for six solid years. Every time, you have been obliged to go away and eat humble pie because we are once again going to defy the sceptics and build a record number of new homes, which is what London needs. I do not want to minimise the importance of what you are generally saying, Tom, because this is the big issue that faces our capital and we do need to build many more thousands of affordable homes.

**Tom Copley AM:** He could answer the question rather than throwing abuse at me. He is using up my time now. Can I bring that to a close? He had a chance.

**Boris Johnson (Mayor of London):** However, our project and the way that we are doing it is the right way forward for London.

**Richard Tracey AM:** This is about this general discussion that has just gone on, Chair. I wanted to ask you, Mr Mayor. Do you share my curiosity that you get this apparent pounding from Tom Copley when the young --

**Boris Johnson (Mayor of London):** I would not call it a pounding. It is a euro-ing. A drachma-ing. A peseta-ing.

**Richard Tracey AM:** Considering that he said the Labour Party should apologise for its poor housing record when in Government and that he and various other young members of the Labour Party are saying the same thing and recently I noticed that their aspirant parliamentary candidate for Battersea is saying exactly the same thing, are you curious --

**Darren Johnson AM (Chair):** This is not on the update. This has moved well away from the update on the new homes budget.

**Richard Tracey AM:** It is all about new homes and their appalling record.

**Darren Johnson AM (Chair):** Yes, but everything is all about something else, so I am going to rule that question out of order. Are there any more points on the update or can we move on to the questions on the order paper? Thank you.

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