LONDONASSEMBLY

John Biggs, Chairman of the Budget and Performance Committee

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Nicky Gavron
Chair of Planning Committee

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Dear Nicky,

London Infrastructure Plan 2050 – Budget and Performance Committee comments

As Chair of the London Assembly Budget and Performance Committee, I welcome the opportunity to contribute to the consultation for the London Infrastructure Plan 2050. In my capacity as Chair of the Committee, I sat on the London Finance Commission. The Commission recommended that the Mayor should develop and maintain a high-level infrastructure plan and report progress against it.

Below are the key findings from the Budget and Performance Committee's work over the last few years that are most relevant to the London Infrastructure Plan:

- London's success depends on continuous and significant investment, and we therefore welcome the Plan as a positive step forward. But, having agreed on the need for this scale of investment – and the benefits it will bring London and the UK – we must all recognise that it has to be paid for.
- Not all the infrastructure in the Plan will be owned, or paid for, by the public sector. Some will be entirely private sectors ventures, paid for by consumers through charges or levies. Some will be publicly-owned and funded, either at the national or regional/local government level. And some will be a hybrid. So, while the public sector may have a role in all the schemes – in terms of enabling, promoting or regulating – it will only need to fund and deliver some of them, using a range of strategies for raising the funding and delivering the schemes. Where possible, the likely ownership and funding arrangements should therefore be set out in the Plan. As should the ways in which City Hall, where not responsible for delivery, will oversee, monitor and help to facilitate projects viewed as a priority.
- In view of the fact that, because of the scale of funding required, it is likely that not all the projects will proceed, the Plan could set out the key priorities until 2050 more clearly.
- Infrastructure investment must be underpinned by robust forecasting and business cases that capture all the costs and benefits. As we have seen with the Cycle Hire

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Scheme, TfL's forecasting and modelling is not always reliable, yet it underpins huge investment decisions.

- We note the significance of fares as a proportion of the plan's proposed funding. And it would be tempting to increase fares above inflation to plug the funding gap. But fare increases should be kept to a minimum – the Mayor needs to recognise the impact of fares on London's affordability.
- There is still a great deal of uncertainty for the Mayor and GLA on many of its income streams e.g. business rates – this needs to be improved. We therefore agree with the Mayor's goal to take greater control over taxation in London.
- The lack of certainty over funding, particularly over the longer term, makes it very difficult to plan effectively. Where longer-term funding has been agreed – for example the six-year capital funding settlement from DfT to TfL – this has made it easier (and potentially cheaper) to plan investment.
- We support the further devolution of suburban rail services – the Overground has proven an effective model to improve services and control costs.
- There may be opportunities to leverage in private investment in the form of philanthropic donations or commercial sponsorship. While this will only ever provide a small element of the funding required, these sources should not be ignored.
- The GLA Group needs to become more commercially-aware to make best use of its assets. TfL is expanding its commercial team to increase these income streams, and we support this approach.
- The Mayor must make best use of the GLA's land assets, and there is a case for the Mayor to have a strategic role in managing disposals of all public sector land in London.

Yours sincerely

John Biggs
Chair of the Budget and Performance Committee

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