

London Assembly Plenary Meeting: Wednesday 29 January 2020

Transcript of Item 3b - Statement from the Chairman of the Budget and Performance Committee

Susan Hall AM: Thank you Chair. I would also like to thank the Mayor for his opening remarks.

I must also thank just about everyone involved in the Budget and Performance Committee's work on the budget this year, from my colleagues on the Committee to the Scrutiny and Committee teams, particularly Gino [Gino Brand, Scrutiny Manager, GLA], and of course our Group office staff who support all of us Members. On top of the crammed schedule for all our meetings, we also had something of a rotating chairmanship this year. Many thanks to Len [Len Duvall AM] for stepping in and of course to Gareth [Gareth Bacon MP AM] for his tremendous work chairing the Committee these past four years.

As the new Chairman of the Budget and Performance Committee, my role now is to outline the points for consideration that we identified during the scrutiny process that has taken place since the end of last year. Since the financial plans were submitted, the Committee has held seven meetings with the functional bodies and with the Mayor before today. A paper setting out recommendations from our budget report is included in the papers for today's agenda.

The fundamental headline from our assessment of the Mayor's budget is that we continue to have concerns about Transport for London's (TfL) future. The latest Crossrail delay is forecast to cost between £500 million and £750 million in lost revenue and up to £650 million in extra capital investment.

TfL is now also slowing down delivery on capital projects. This Committee continues to express concerns about the TfL capital position, particularly in light of these delays to Crossrail. It is beginning to look likely that it could be opening three years late. The loss of even more income from the Elizabeth line is certain to have an impact on Londoners through lower funds available for investment in the wider transport network. There may be more postponed or cancelled projects to follow, particularly if the optimistic revenue projections are not achieved. The Mayor and TfL need to be much clearer about what TfL capital projects are potentially at risk over the next four years. It is important that they signal to the Government and to the public the projects that are of high priority.

TfL is not the only GLA body in a tough financial position. The Mayor's budget for the MPS shows a £1.2 billion budget gap to 2023/24 and a capital plan that does not address the additional police officers that the Government has committed.

Housing remains a key issue for many Londoners and the Government has given London an unprecedented level of funding to build affordable housing, almost £5 billion. The Committee learned as part of this budget process that £1.7 billion of this funding will not be spent until

after 2022 and nearly £400 million will not be spent until after 2028. Is this the effective delivery of housing that Londoners need now?

The Old Oak and Park Royal Development Corporation (OPDC) has experienced a major setback. It has lost a golden opportunity of £250 million of Government funding to kickstart this much needed regeneration project. It must now go back to the drawing board. Now the Housing Infrastructure Fund (HIF) bid has been published, it is clear how flawed the OPDC plan was and we would ask the Mayor to review it and to review if it is appropriate for the OPDC to continue in its current role.

The Mayor's budget proposals have several worrying holes. We are aware that there are uncertainties around the future funding of the GLA Group and the vital services it provides for London. 2020 will see a Government [Comprehensive] Spending Review (CSR), the Fair Funding Review, the Mayoral and London Assembly elections and a reset of business rates, all potentially affecting the resources available to the GLA.

The Committee sees the key to robust budgeting as sensible assumptions that are consistently applied so that deviations from the budget, when they happen, are easy to understand and to remedy. However, we are very concerned that the Mayor's Office for Policing and Crime (MOPAC) budget assumes that we will recruit and pay for an additional 6,000 police officers over the next three years. This is the number the Mayor said he wanted rather than the number the Government has actually announced and so they are in the budget but without getting additional funding for them. We have to look at how realistic that is.

The capital plan remains largely unchanged from last year, despite a close to 20% increase in police officers. This is despite the Mayor telling the Committee that MOPAC had already paused most of the disposals of assets. This was later denied by the Deputy Commissioner of the MPS to the Police and Crime Committee two days later. Then the Mayor reconfirmed the pause at the Mayor's Question Time (MQT) on 16 January [2020]. Is he confident that the left hand knows what the right hand is doing here? We need certainty. The Budget and Performance Committee would like to see a sustainable plan with a clear position on the police estate.

The Deputy Mayor for Fire and Resilience stated:

"The Brigade's own investigation into Grenfell Tower laid bare quite a lot of the challenges and choices that we do need to address and the need for a fundamental transformation across the entire service."

She was clear about the scale of the transformation required:

"The sort of cultural transformation that the Brigade will require is at a level that has never been seen in the Brigade's history before."

The new Fire Commissioner also confirmed, "We are planning very considerable and far-reaching transformation". The Committee is supportive of the Commissioner's ambition but is

concerned that the resources for this vital transformation have not been provided for in this budget and plan, beyond a vague commitment in the newest iteration.

By making these key omissions in your budget, you are making it very difficult for the Assembly to support your budget proposals. Thank you very much, Chair.