

London Assembly Plenary: Wednesday, 29 January 2020**Transcript of Item 3c – Questions to the Mayor on his Draft Consolidated Budget Proposals 2020/21**

Jennette Arnold OBE AM (Chair): Now we go into the questions on sections of the budget as published and so the first section will be on the Mayor of London's budget. I have the lead-off question from Assembly Member Hall for the GLA Conservatives Group.

Susan Hall AM: Good morning, Mr Mayor. This is for you, please. A significant amount of the public relations (PR) featuring you, particularly on the TfL network, now uses your name rather than just your title, Mayor of London. This was not something done by your predecessors. Is the increased spend on external affairs and PR since you took office more to satisfy your desire to achieve the name recognition of Ken [Livingstone] or Boris [Johnson] [former Mayor of London]?

Sadiq Khan (Mayor of London): No.

Susan Hall AM: OK. That is fair enough. Are you relaxed about the additional staff in the building and the doubling of staffing costs for City Hall?

Sadiq Khan (Mayor of London): One of the things, Chair, we have been very successful at doing since I became Mayor is managing to secure funds from central Government for things that our city needs. For example, if you look at the housing budget we have secured from the Government and the previous deals from 2015 to 2018, we managed to secure a deal up to 2022, which is £4.8 billion, referred to in the opening from the Chairman of the Budget and Performance Committee. Not unreasonably, if you have £4.8 billion to start 116,000 homes, you need additional staff to make sure the money is spent properly and that there is value for money.

By the way, the staff ratio, if you compare City Hall's Housing and Land department and this allocation of money versus the ratio for the Homes and Communities Agency (HCA), it is far less for City Hall than it is for the HCA.

Another example of money we have secured from central Government that has required additional staff is the adult education [budget] (AEB) devolution. We now have £311 million to spend in the further education (FE) sector in London. That has also required, clearly, additional staff to make sure that that money is spent properly. Again, the ratio of staff we have compared to what the Department for Education (DfE) used to have in relation to that allocation of money is far less, which shows value for money internally and also making sure the money is spent properly.

There are other examples of fixed-term posts that we have had to do. For example, we have the Euro 2020 coming to London this year, seven games in London, the final and two semi-finals, a last-16 game and three group stages. That will bring huge benefits to our city. We are in charge of this at City Hall and so we have needed people on fixed-term contracts to deal with Euro 2020. Another example of fixed-term costs --

Susan Hall AM: No, that is fine. You have answered my question, thank you, Mr Mayor. You have said you are quite happy with the doubling of staff bills. Obviously, we do not agree with that from you. That is fine. Thank you, Chair.

Jennette Arnold OBE AM (Chair): Thank you. Can I have a question from Assembly Member McCartney?

Sadiq Khan (Mayor of London): Chair, sorry, just for clarity, there was an incorrect figure from the Chairman [of the Budget and Performance Committee]. The staffing numbers have not doubled, which was the assertion made in the final speech and peroration.

Jennette Arnold OBE AM (Chair): Assembly Member McCartney.

Joanne McCartney AM: Thank you, Mr Mayor. When your draft budget was published, the Government had not yet set the threshold by which council tax can be raised without holding a referendum. What impact did this uncertainty have on your budget?

Sadiq Khan (Mayor of London): Huge uncertainty. It is noteworthy that the Chairman of the Budget and Performance Committee was critical of our budget-setting but was very silent in relation to the Government's lacklustre response and presentation of figures.

What it meant was that we did not have the final figures when the budget was prepared. That is why there is the supplement information you have.

However, the real challenge is not simply the delay in us having the information but we do not have figures for the following two years. You can turn the tap on for recruitment but, if you turn it off, it is difficult to turn back on again. For example, we have now been told figures for the 12 months coming after April [2020] but we have no idea about the following two years.

There are big challenges. I will give you one example. When it comes to the estate for the MPS, do we plan for an estate for 32,000 officers, 33,000 officers or 36,000 officers? When it comes to spending the money we have from central Government for the additional 1,369 officers, if that money is exhausted and we have the officers in by September [2020], do we then stop recruiting and turn the tap back on again in April [2021]? Those are just two examples of some of the challenges we have.

It has not been easy. I want to thank not just Martin [Clarke] but the entire team for their hard work to make sure we had a budget to present today.

Joanne McCartney AM: Thank you. Do you share my concerns that council tax will continue to be used to plug the gaps in police funding, which should really be from Government grant?

Sadiq Khan (Mayor of London): Yes. Council tax is extremely regressive. Those who are the poorest in proportionate terms pay far more than those who can afford to pay more. What we are seeing is another example of big holes left by central Government cuts. Council tax is being asked to fill those holes. It cannot. We are doing our best to fill some of the holes.

I will make this point. We knew in 2010 that the Government was making massive cuts to the MPS of £1 billion. In the six years after that before I became Mayor, the previous Mayor did not plan prudently to raise council tax to fill that hole. We have calculated that we have lost, roughly speaking, £700 million of council tax, which is 2,000 officers, because of the actions of the previous Mayor.

Joanne McCartney AM: Thank you. That is helpful. About the uncertainty about future years, is this something that perhaps you and the other metro mayors could really lobby the Government about? It will not be an issue just affecting London's budget.

Sadiq Khan (Mayor of London): Absolutely. I am meeting the Metro Nine (M9) next week and that is one of the things we will be discussing. There are also Police and Crime Commissioners across the country. All 43 Police and Crime Commissioners are affected by this. I can assure you that we will be speaking to colleagues across the country and police officers, chief constables and the Commissioner [of Police of the Metropolis] will also speak about this. [Assistant Commissioner] Martin Hewitt, who is in charge of the police chiefs around the country, is also alive to this issue as well.

Joanne McCartney AM: Thank you.

Jennette Arnold OBE AM (Chair): Assembly Member Twycross?

Fiona Twycross AM: Thank you, Chair. Mr Mayor, your budget anticipates that the Government will not review business rates until after 2021/22. What will this mean for your budgets beyond the current financial year?

Sadiq Khan (Mayor of London): I will give you one example. TfL has no certainty about its funding post-2021. Just think about that. TfL does not know what money it has coming in around the corner and yet the Chairman of the Budget and Performance Committee has the cheek to criticise TfL in relation to capital spend. That level of uncertainty is not sensible. If you compare and contrast any major body across the country, they would not have that sort of uncertainty. It is difficult for TfL to plan.

Also, when it comes to the Strategic Investment Fund (SIF), a concern raised at the Budget and Performance Committee was the SIF. The great work going on in London of pooling business rates. Question: will that carry on after 2021? Not sure.

These are just some examples of the challenges posed by the uncertainty. We are hoping for the CSR this year, the Budget in March and the funding formula referred to by the Chair to answer some of these questions. In the meantime, it is very difficult for us to plan prudently.

Fiona Twycross AM: Thank you. This year London is retaining a lower amount of business rates as the pilot period comes to an end. Do you share my disappointment that the Government's inability to review business rates means that we are returning to the old system and London is effectively losing out on over £100 million?

Sadiq Khan (Mayor of London): Absolutely. We are now being allowed to retain 67%, whereas in the last two years it was 75% and 100%. There is a financial loss. My Chief of Staff has just referred to the financial loss, as did you.

The problem is that progress is made but it is one step forward and then another step forward and then it is three steps backwards. The key thing is that we have to work with 32 boroughs. We now have a really good relationship, which is difficult.

The concern is, because of the retention going backwards, do we lose the structures in place and the best practice we have going? We are trying to keep that going and so we are hoping that in this CSR the

Government devolves not just back to where we were but devolves other fiscal taxation as well to us so that we have more control over our destiny.

Fiona Twycross AM: Great. Thank you.

Jennette Arnold OBE AM (Chair): Before I call the next speaker, Mr Mayor, I heard you talk about the Chairman of the Budget and Performance Committee having a cheek to say something. In the context of today and the statement that was made, that was not the Assembly Member speaking. That was the Chairman of the Committee speaking on behalf of the Committee and so cheek or personal attributes do not come into it. What you want to say about the Assembly Member in her own role is something that I will monitor but I just wanted to put on the record that that statement was made on behalf of the Budget and Performance Committee. Thank you.

Assembly Member Copley?

Tom Copley AM: Thank you, Chair. Good morning, Mr Mayor. Moving on to the housing element of your budget, how will your budget help to meet the affordable housing needs of Londoners?

Sadiq Khan (Mayor of London): One of the things we managed to do in 2016 was to persuade the Government not to be fixated by its definition of what an affordable home was. You will be aware of the previous dodgy definition. We have managed to persuade the Government to ensure that the monies we secured were used for social rent housing, London Living Rent and Shared Ownership.

The deal with the Government is for 116,000 starts by 2022. The Government has stipulated that 58,000 should be intermediate housing and the rest will be a combination of social rent and London Living Rent as well. We have managed to, within that framework, agree £1 billion with councils, which will start 14,000 homes, 11,000 of which will be homes for social rent.

We are making progress. We have managed to agree deals with not just councils but housing associations - big, medium and small ones - and others to get the housing starts going. This year the target is stretching. It is even more stretching than the last two years. In the last two years we have managed to break records and we are hoping this year to break a record as well.

Tom Copley AM: Thank you very much. I very much welcome the fact in particular of the Building Council Homes for Londoners programme, which in the last year has started more new council homes since the year before I was born.

Looking forward to the next settlement from the Government, Housing and Land in conjunction with the G15 carried out a very detailed technical report into the funding required to deliver the affordable homes that we need. It found that £4.9 billion, which is seven times what we currently have, is going to be required to do that.

Have you already started negotiating with the Government about that figure and the funding for the Affordable Housing Programme beyond 2022?

Sadiq Khan (Mayor of London): Yes, the Government is aware of the needs of our city. The pragmatic approach we have to the Government is actually that we have an opportunity to deal with the issue of the slowdown in the market value properties. You will know that the cross-subsidy model is not working. This is

an opportunity, rather than there being a slowdown in building homes, for developers to switch to the affordable homes you refer to. We have set out a figure to the Government that we think would be the ask.

Do not forget that the good things about building homes are that (a) they are homes people need and (b) it leads to jobs being created. This is an example of a good, active industrial strategy.

We are lobbying the Government. I met yesterday with the Minister for London and I was really impressed with his knowledge of some of these challenges. The conversation we had was a good, adult one. We are going to also try to impress upon him the importance of persuading colleagues in Her Majesty's Government to realise that London has many shovel-ready projects, including homes, which we can get going pretty quickly with the right support from central Government.

Tom Copley AM: Absolutely. Two other things that would really help of course would be for the Government to finally reform compulsory purchase order (CPO) powers and to give City Hall the right of first refusal over sales of public sector land, which is a bit of an anomaly. The HCA outside London has that power in the rest of England but we do not have that in London. Are conversations continuing with Ministers about getting those powers?

Sadiq Khan (Mayor of London): Absolutely. You will be aware of the progress we have made with the devolution of the National Health Service (NHS) estate, which is leading to good results. You will also be aware of individual surplus public land we have managed to do well in. For example, with the former Holloway Prison in Islington, we have managed to work with the Council, Peabody and others to get a good deal there.

However, you are right. There are lots of other surplus public buildings, whether it is former schools, whether it is young offender institutions (YOIs), whether it is other things. We are trying to persuade the Government to allow us to get involved in the conversation so that if we do not have first refusal, we can actively signpost others who would make sure that the land is used for a benefit that Londoners really need, which is affordable housing.

Tom Copley AM: Absolutely. Finally, moving on to looking at homelessness and rough sleeping, you have more than doubled City Hall's budget on this to £19.2 million a year, which is very welcome, but you have also set out a call for £574 million in funding and investment over five years from the Government to eradicate rough sleeping in London. Has it been forthcoming at all with this?

Sadiq Khan (Mayor of London): No. The issue is not simply helping those rough sleepers once they are rough sleepers and stopping them right at the cusp of becoming rough sleepers, but it is stopping them becoming rough sleepers in the first place in that pipeline. Although we last year, for example, helped around 5,000 rough sleepers, 90% of whom are no longer sleeping rough, there is still a pipeline coming through. That is why, even though we have doubled the outreach team and are working with twice as many people, keeping them off the streets, there is a pipeline coming through and so far no real movement from the Government in relation to the support we need.

Tom Copley AM: OK. I am out of time. Thank you, Mr Mayor.

Jennette Arnold OBE AM (Chair): Assembly Member Dr Sahota.

Dr Onkar Sahota AM: Good morning, Mr Mayor. What benefits do you expect from the 10% increase in your health spending budget?

Sadiq Khan (Mayor of London): The key thing is around public health. We want to make big progress in relation to public health. You will be aware of prevention being better than cure. We are doing a huge amount of work in relation to healthy eating, early years, primary school, secondary school. We are doing a huge amount of work in relation to the Child Obesity Task Force and what they are doing. You will be aware separately of the progress we have made in relation to water fountains and other progress.

The Health and Care Vision sets out the priorities there are going forward. Actually, the good thing is that we should not just think about the City Hall budget. There is an attitude now where the NHS, councils and others are thinking about pooling resources and that bodes well for using the finite resources we have in a more sensible way.

Dr Onkar Sahota AM: That leads to my next question. Of course, last year we saw your Health Inequalities Strategy, which is beginning to deliver results, and also the Health and Care Vision for London. Initially we need the NHS partners and beyond to fund and implement the changes that you propose. How do you think the GLA programme is sufficiently resourced to make this happen?

Sadiq Khan (Mayor of London): Look, we can always do with more resources, although we would be criticised by either the [Budget and Performance] Committee or the Chairman. The key thing is to make sure that we have the right people to implement the strategy that we have.

One of the things that we have, which is really good, is a London Health Board that now has key players from not just the Sustainability and Transformation Plans (STPs) but councils, really importantly, because they have often felt not in the room when decisions are made that affect their constituents and their communities. You will be aware, for example, of the King's Fund six-point criteria that we now have in relation to any big decisions being made.

Also, the good news is that we have now health inequalities as an issue in the work the VRU is doing as well. As part of the work the NHS is doing, they understand the importance of dealing with violent crime. There is now joined-upness with accident and emergency (A&E) and primary care, working with youth workers, police and us to make sure we deal with that issue as well. There are lots of examples - around obesity, around dementia, around violent crime - where there is more joined-upness that was not there before.

Dr Onkar Sahota AM: Great. Thank you. Of course, the GLA has a statutory duty to reduce inequalities. Successful GLA programmes such as welfare advice in schools, home insulation and fire safe and well visits are tackling the wider determinants of health inequalities, especially among those who are vulnerable and disproportionately affected.

Can we see these programmes continuing in the next year?

Sadiq Khan (Mayor of London): The budget that is presented to you today is a budget that makes sure that we can still invest in these things. Clearly, we will have to see what happens with the CSR. We are keen to make sure we follow through. You will know, for example, the link with poor housing and poor health. That is just one example.

One of the big changes we have made is, because council leaders and councils are now involved in the conversations, there is joined-upness. I will give you another example: social prescribing. Some doctors are being very innovative. Rather than giving - I am not being flippant - a tablet to cure an illness, they are thinking about, if somebody is lonely, diverting them towards an older person's group or, if somebody has issues around poor health, maybe to the gym. There are other examples of social prescribing such as receiving

good advice in relation to overcrowded housing or damp housing. That can only happen, though, if there are services available for doctors to refer to and so we are seeing more of that sort of work across London. Clearly, councils will need more resources to provide these facilities. Civic society needs more support. We are doing what we can, but the key thing is about having the conversations to see what the opportunities are.

We are optimistic. If the Government means what it says about more devolution, we can make more progress.

Dr Onkar Sahota AM: Good. Finally, of course, at the London Health Board, Richard Watts, Leader of Islington Council, got to the real problem. He said that reducing health inequalities really means reducing poverty. He challenged the employers to pay their employees the London Living Wage.

What more do you think the GLA family can do to ensure that it creates good, healthy jobs for Londoners?

Sadiq Khan (Mayor of London): I will give you some examples. Healthy Workplaces is a scheme we have where we encourage employers to provide healthy workplaces. It is not just in schools.

One of the things we are doing is helping those who receive the Minimum Wage or just above to get free adult education from the budget being devolved to us so that they can skill up to receive a Living Wage. Since I have been Mayor, we have more than doubled the number of employers now paying the London Living Wage. It is really important that if you do a hard day's work you get a decent day's pay.

One of the reasons why we froze TfL fares was to address the issue of the cost of living. One of the reasons why we are keen to invest in council homes, homes where you pay social rent and affordable rent, is to do with the issue of poverty you referred to. You will be aware of the real travesty of food poverty and children going hungry during the holidays because there are no free school meals. One of the reasons we are doing work around that is because of the issue of poverty as well. I could go on.

Across the GLA family, we are trying to address some of the consequences of poverty and some of the causes, but what we need is actually a big change from central Government around the benefit system - really important - and also for the Government to use some of the levers it has to address this issue as well.

Dr Onkar Sahota AM: Good. Thank you, Mr Mayor.

Tony Arbour AM (Deputy Chairman): Assembly Member Berry.

Siân Berry AM: Thank you very much. First of all, Mr Mayor, I want to thank you and the team for what you have done and the efforts you have made to send us accurate information during the scrutiny process, despite the Government taking its time in giving us final information on what we could spend. We have struggled, I know, and it has been difficult. Thank you for at least trying with that.

I wanted to ask you some questions about your SIF. At the Budget and Performance Committee meeting on 7 January [2020], you outlined some of the spending that has been made from the SIF, which is where you have put some of the business rates you have received on top of what was expected in previous years. We heard there was £101.89 million allocated from the Fund but our calculations worked out that that left £70.7 million unallocated.

We received a letter this morning, which was received by the Assembly last night, giving more details of the projects and what has been spent so far. That seems to confirm that figure of £70.7 million unallocated from the SIF. Is that the right number as you understand it?

Sadiq Khan (Mayor of London): Yes, there or thereabouts.

Siân Berry AM: We asked you why the money has not been spent because most of it was put aside two years ago and some last year. Why is this sitting there?

Sadiq Khan (Mayor of London): The main reason is the huge uncertainties around Brexit and the impact that would have. If we had left in October [2019] with no deal, we would have had to make sure we had the support in place in a strategic sense to help going forward. That was the reason why a decision was taken to not spend all of it in that year. Also, we had no idea what happened going forward in relation to business rates and other support from central Government. You will remember how late in the day - a question referred to from a previous questioner - a decision was taken for us not to retain the full amount of business rates. We do have ideas ourselves for how to spend this £70 million, but I did make the offer to you and other colleagues on the Budget and Performance Committee to feel free to let us have any other ideas you have.

Actually, there is still a possibility of us leaving the European Union (EU) in December this year [2020] without a deal and so I suspect we will not want to spend this money until we know, probably in June or July, what is happening. That is the deadline by which the Government has to ask for an extension. We have a good idea where we want this money to go, but it is not a finished decision yet and so feel free to let us know any other ideas you have to allocate this £70 million.

Siân Berry AM: With respect, we have had an Assembly EU Exit Working Group active and looking at the potential impacts of Brexit. We have come very close to having a no-deal exit on a number of occasions. It would have made sense to get that money out of the door for the things that we could see coming down the line and the potential impacts. We are quite well aware of what was going on. I have been highlighting some of the impacts, potentially, on housing.

Sadiq Khan (Mayor of London): Except that had we spent this money in the expectation of a no-deal Brexit and - lo and behold - it did not happen, I suspect one or two of you would have criticised us for pre-emptively using this money for a scenario that did not occur, which is why the sensible thing to do is to keep the money there and to make sure it is available should we need it.

Siân Berry AM: I do not agree with you there. I am not talking about money specifically spent on Brexit itself but on building up the resilience of London. That is what the SIF money ought to be used for: to make us resilient to the kinds of economic shocks that a no-deal Brexit would have caused. I just do not agree with you that not spending it was the right thing to do. £71 million is a lot of money sitting there being fairly useless, effectively shoved down the back of the sofa, which could have gone on helping Londoners.

You will be pleased to know we do have ideas in our budget amendment for spending this money. I hope you will listen and I hope you might make some changes in your final budget this year in terms of building up London's resilience to Brexit and also its resilience and supporting communities generally because that is what the money should be spent on. I hope you are looking forward to seeing our amendment later, Mr Mayor.

I do want to ask a further question about the Young Londoners Fund (YLF). We are putting an amendment forward later on this afternoon from the Green Group that suggests refunding that. I do not know what your plans are for this. I know you introduced it with some additional business rates that we received the year after we proposed creating it, effectively, in our 2017 proposals. In the more detailed budget lines you get in the

budget submission documents for the Communities and Intelligence Directorate, you can see the YLF spending dwindling and coming to zero by 2023.

I am collecting information from councils, as I usually do, on youth services. We can see there are cuts in several boroughs. Seven boroughs are planning an increase, which is an improvement so far that we have seen, but there is not in any way a refunding of youth services. We do, rightly, make a conservative estimate of business rates. What I am asking you now --

Tony Arbour AM (Deputy Chairman): Are you rehearsing your amendment or asking him a question?

Siân Berry AM: I am asking now about the business rates because we, rightly, underestimate the amount of business rates we receive. It would be completely wrong to overestimate them. Every year we do get in slightly more business rates. I am hoping that when we get the final returns, you are considering that the YLF might be getting first dibs on any extra money. Is that something you are considering?

Sadiq Khan (Mayor of London): It is worth reminding ourselves why councils have to make the decisions they make in relation to youth centres. I was with a council leader last week. His council has lost 62% of monies from central Government over the last nine years.

Siân Berry AM: Yes, we know how hard-pressed they are.

Sadiq Khan (Mayor of London): You will also be aware, which was not part of your speech/comment and you did not mention, that it is not just business rates money. It is business rates growth money, which is a one-off sum of money that I diverted towards the YLF. Clearly, if the situation occurs where we have additional revenues raised, I will consider how best to use them. However, I have demonstrated and have talked on a number of occasions about the importance of dealing with the causes of violent crime and one of those is by giving young people constructive things to do, which the YLF allows them to do.

There are other policies we have that also support young people, from the Sport Unites Fund to the VRU and other funds we have. I will continue to make sure we invest in young people where we can.

Siân Berry AM: Excellent. I just have one final, rather technical question. You were discussing with Assembly Member Copley the Rough Sleeping [Innovation] Fund. The Government announced yesterday allocations from the Rough Sleeping Initiative and within that was £6.6 million to the GLA. Again, looking at the budget submission documents and the more detailed budget lines, which show the income, there was a gap in the income from central Government there. It seems like the draft budget does not contain, yet, that money that was announced yesterday by the Government.

Is that right or did you already know about this and put it in the initial budget?

David Bellamy (Mayor's Chief of Staff): Chair, what happened here is that that illustrates the problem. Whereas compared to affordable housing, where we got a six-year deal with the Government as discussed, with rough sleeping it is very ad hoc and it is very drip-drip. So far, the Government has been resistant to our suggestion that a longer-term strategic plan is needed. As you said, that was an announcement that came yesterday from the Government. Discussions go on with the Ministry for Housing, Communities and Local Government (MHCLG) all the time, but we could not put any numbers into public budget documents in any case until such time as it was a public announcement. We will look and see whether we have the information now that we need to put that into the documents for the final draft budget, but it really is illustrative of the problem we face.

Siân Berry AM: Yes, absolutely. Councils all over the country having to make an application for an annual grant makes no sense when we know the direction of travel with homelessness and that we need to provide long-term support. Thank you.

Tony Arbour AM (Deputy Chairman in the Chair): Assembly Member Arnold.

Jennette Arnold OBE AM: Thank you, Chair. Can the Mayor say how his budget and policy changes to the AEB will ensure that all Londoners have access to high-quality lifelong education?

Sadiq Khan (Mayor of London): There are two big things that we have done, if I have to remind the Chair. We agreed not to change things too much in the first year because of the stability required by the providers. The big change last year was giving free courses for those not yet receiving the Living Wage to give them the skills to get the Living Wage and also to offer sign language for those who are deaf or with hearing issues.

What we have done this year is two things that address the concerns you have articulated a number of times. One is that we have increased the funding for maths and English level one and level two because a big concern raised by employers is the lack of basic skills.

The second thing we have done is to increase the support in relation to special educational needs and disabilities teaching. The big concern raised by the providers was that their staff and support staff did not have the skills. We are supporting them to give them the skills, which will really help to make a difference to those with special educational needs and disabilities.

Jennette Arnold OBE AM: Thank you. I will just start where you finished. The Education Panel, as you know, made that recommendation in a report that you accepted. Thank you for that. Can I ask that you personally take an interest and follow this through and hopefully ask for a report and then maybe share it? This is a group that is growing and is now being seen as one of the most disadvantaged groups. Their needs and skills and their access when appropriate into the workforce must be addressed.

Sadiq Khan (Mayor of London): Absolutely. Can I just reassure you? TfL, for example, have apprentices with special educational needs and disabilities and we encourage them to spend time here for a number of weeks. I know some of them worked with some of our Assembly Members and had a good experience. The point I made is that we have some fantastic apprentices. We should be thinking - and must be doing - the same as TfL is doing but using the whole GLA family to do much more in this area. We can and we should and we will.

Jennette Arnold OBE AM: Yes. I will add my commendations to that particular aspect of TfL and its commitment to that programme.

You have eight key areas. The other area was to fund basic digital skills. I just wanted to flag up to you that from some work that Ipsos Mori did in 2017, although it found that 81% of adult Londoners had basic digital skills and experience, it also found that, for women, there was a 6% gap compared to that population in terms of their experience. When they talked about older people, they were talking about 50 plus. Their exposure to that experience was reduced. The lower socioeconomic social grades and within that, we would find people working either at the London Living Wage or below.

Again, can we receive your assurance that you will be looking at this particular group to say that they are so important? If this AEB cannot help them, I cannot see other budgets that will be used to help narrow the gap and to stop their further exclusion from this key sector.

Sadiq Khan (Mayor of London): Firstly, Chair, I should really declare an interest. I am 49 and so I may well be in that group that you are referring to in the very near future.

We are already using some of the European Social Fund (ESF) money from Europe to target two of the groups you mentioned. That is women, particularly the long-term unemployed, who need assistance and a bit more of a helping hand. It is what is called the entrenched unemployed. We are using that money to help them in digital skills. We are also helping black, Asian and minority ethnic (BAME) Londoners who do not have access to the skills for the brilliant jobs being created in London.

The point you have raised in relation to over-50s is one that the AEB can look into and will look into. One of the things you will be aware we are doing is that we have a key performance indicator (KPI) to measure the value added. One of the things we need to be doing is looking at the importance of digital skills, particularly for those who in their workplace are not receiving the continuing professional development they need. The AEB will provide a good way of giving those additional skills that will be needed. That is one of the reasons why we chose last year to give free support to those receiving the Minimum Wage, not quite the Living Wage, and some of those skills are digital, which gives them the skills to get a pay rise in their workplace.

Jennette Arnold OBE AM: Thank you, Mayor. I just want to finish by, through you, thanking Deputy Mayor Pipe [Deputy Mayor for Planning, Regeneration and Skills Jules Pipe CBE] and his team and the really courteous and co-operative way that they have worked with the Assembly's Education Panel on this particular area. It is new to us and, in fact, we are the only devolved body with the AEB. I was with others at a meeting and the rest of the country will be looking to see what we do with this budget. I am sure, when you meet with your M9, this is one of the things that they will be saying, "What are you doing with your AEB?" Thank you.

Sadiq Khan (Mayor of London): Thank you.

Tony Arbour AM (Deputy Chairman in the Chair): Assembly Member Duvall.

Len Duvall AM: Mr Mayor, since you have been here at City Hall, you have rightly given a lot of support and have been a great advocate for businesses in London. This budget that you are about to present to us is against the background of Brexit and uncertainty as well as getting through change, because that is essentially what will occur.

What will your economic development programme's support for businesses do in this coming year to help in those transitional periods?

Sadiq Khan (Mayor of London): Thank you for your question. It is a really important question. One of the statutory duties upon the Mayor is to support and promote economic development and one of the reasons why I supported the previous Mayor's investment in London & Partners (L&P) was because it was a good example of using - forgive me for using this language - the 'London brand' as a way of supporting businesses here and doing even better with exports and also bringing investment in. Every £1 that is spent in L&P is bringing in £15. Think about, if you are a small business, having access to export markets and getting into one of the Mayor's International Business Programmes. Think about, if you are a small business or a medium business, having access to an angel investor or a venture capitalist because of the support of City Hall. The reality is that the office of Mayor has huge convening power and so that really helps businesses in London.

There are other examples of the value added we have done in relation to skills. One of the things we have to do is skill up Londoners for the jobs being created. There is no point having the world's best companies in London if Londoners cannot access the jobs. That leads to a them-and-us attitude. It is really important.

The third part of the story is in relation to the work that Rajesh [Rajesh Agrawal, Deputy Mayor for Business] in particular has done around the Growth Hub. This is a really good example and the London Growth Hub is fantastic. Those who have not been on it, please go on it. It gives advice to you as a small business or a medium business. Also, there is now physical advice being given. We have a number of physical Growth Hubs across London because the feedback was, "This is great, but we would not mind some face-to-face advice as well". That is really important.

The final part I would say is this, Chair, through you, which is very important. One of the reasons why our city has been so successful economically is immigration and, in the context of this week, EU migrants. Do not underestimate the importance to our economy of EU Londoners in construction, in life sciences, in hospitality, in a whole host of industries. They are crucial to us doing well as a city. That is why it is really important that we welcome those who are here and, frankly, encourage them to stay.

Len Duvall AM: Thank you for that. Can I just raise another issue. The Prime Minister would describe me as a doomster or a gloomster or whatever, but in terms of predicting issues in this period of transition and post-Brexit proper, there is the issue of rising costs in London and Londoners' cost of living, one thing that has not been counteracted by those who say that one of the consequences of Brexit is prices going higher. How best will we in City Hall monitor the impact on Londoners' cost of living of the extra cost of being part of London and the South East that many in other parts of the UK do not actually have to bear?

Sadiq Khan (Mayor of London): There are simple examples. If the pound goes down, it has an impact on imports, not just food but other imports as well, and so we will keep a careful eye on that at GLA Economics. Also, we have a very good way of monitoring how well businesses are doing through simple things like analysing the number of people who use a Tube station at a certain time of day. For example, we can tell, in advance of many economists, if things are about to slow down because the number of people going to Canary Wharf Station at 8.00am and 9.00am is lower now than it was X weeks ago. We have sophisticated ways to feel the pulse of the London economy.

In relation to the cost of living, that is a big concern we have. You will be aware - and we have discussed this - that many Londoners who are in their early 30s have a huge amount to offer but decide to leave London because they want to start a family and want to move from a flat to a home. They may move to other parts of the country or leave the country altogether. Those who talk about this being a 'brain drain' have a fair point because we need these talented 30-somethings to stay in our city and start their families here because they are crucial for our economic progress.

That is a big concern I have and is one of the reasons why I am freezing TfL fares, building genuinely affordable homes and council homes and encouraging employers to pay the Living Wage. There is more we can do, but you are right that we have to be alive to that because we cannot afford to have a situation where (a) people do not want to come to London and (b) those who are here think about leaving because of the cost of living.

Len Duvall AM: Thank you.

Jennette Arnold OBE AM (Chair): Assembly Member Cooper.

Léonie Cooper AM: Thank you, Chair. Good morning, Mr Mayor. You have previously told me that the water fountains, which you just mentioned earlier, had saved 22,000 half-litre plastic water bottles from being used. That is per fountain. That is the equivalent of over half a million bottles in the first 20 months of the use of the installed fountains. How many more plastic bottles will be saved by the investment in this budget?

Sadiq Khan (Mayor of London): Crikey. Martin needs to get his calculator out because that is one of those maths questions that in a previous life I could have done. We can work out the figures in relation to all the water fountains we have so far, the Zoological Society of London (ZSL) ones and also the Thames Water ones. This is a good example, by the way, of the staff we employ doing great work to get these water fountains off the ground. Do not forget that these are savings in perpetuity and so we can work out the amount of money we have saved. For example, just the ZSL fountains have dispensed the equivalent of 500,000 half-litre plastic bottles in the first 20 months. Just the first nine Thames Water fountains, if you do the calculation, have dispensed 25,997 litres, the equivalent of 52,000 half-litre single-use plastic bottles, up to 8 January [2020]. You can do the calculations.

This is a good example of us walking the walk in relation to our obligations because of the climate emergency.

Léonie Cooper AM: Yes. Each bottle includes the need to use fossil fuels as well as unnecessary water.

Sadiq Khan (Mayor of London): Also, you did not refer to the fantastic refill project we have going. There are now more than 3,500 refill points across London where, rather than buying a new bottle or a new non-recyclable product, you can use the same bottle you have and fill it up for free.

Léonie Cooper AM: And it is free, which is something that Londoners always appreciate. Moving away from plastic bottles and leaving them just to one side, how else is your budget going to enable London to move towards your challenging target of 65% of household waste being recycled by 2030?

Sadiq Khan (Mayor of London): You will be aware of the work we are doing with the councils because we do not have responsibility for this. The Recovery and Resolution Plans (RRPs) that they have devised are plans that will lead towards more recycling. We have had a previous discussion in relation to the frustration about the lack of progress made in London around recycling. The recycling we do as a city and as a region is the worst in the country. We have to deal with that.

One of the challenges, by the way, is the number of people living in flats and the access they have to recycling. We have to work with the councils to make sure the contracts they have are good contracts. Some of those contracts do not to an end for some time. We are in negotiations and discussions with councils about how they can get the best deal for their residents. It is real concern that we have and we will continue to work with the councils to make sure that they continue to pursue contracts that lead to more recycling.

Léonie Cooper AM: That is an interesting point because Birmingham has some of the same challenges as us with a mobile population and lots of flatted blocks.

One of my concerns is about the will in some of the councils. I am ashamed to say that Wandsworth, which is one of the boroughs I represent, has the sixth-worst record on recycling in the country and has just produced a very good Environment and Sustainability Strategy that does not mention separate food waste collections. I have just seen this month that Barnet is now talking about possibly charging people to have their garden waste collected.

Do you have the powers and the funding and how are you going to encourage that political will amongst those councils?

Sadiq Khan (Mayor of London): We will talk to the councils you have referred to. You mentioned a couple of bad examples. There are lots of good examples of councils making progress because of discussions with us from Havering to Hackney. We should not tarnish all the councils with a bad brush. Some of them really want to do well. Bexley is another good example. We are working with a coalition of the willing.

Actually, one of the good things that we can do is get council A to talk to council B to reassure them that it can be done. Rather than it appearing to be a top-down approach from City Hall, if a council can say to a fellow council, "Listen, we have done it and this is how we did it", that can be quite a good way of persuading them.

By the way, Londoners want it and so it is a vote-winner. We are hoping to persuade councils that they need to really raise their game where possible to improve recycling rates.

Léonie Cooper AM: Certainly Londoners are part of that coalition of the willing. Thank you very much, Mr Mayor. Thank you, Chair.

Jennette Arnold OBE AM (Chair): Assembly Member Boff.

Andrew Boff AM: Mr Mayor, how much of the funds allocated to new rough sleeping initiatives last year were from the Government and how many were from your resources?

Sadiq Khan (Mayor of London): We have that figure. While the Chief of Staff is finding that, I am happy to answer another question, if you like.

Andrew Boff AM: I just wanted to know what incentive the Government has to give you more money when you have done so badly with the record-breaking amount of money you have received for housing over the past few years.

Sadiq Khan (Mayor of London): Dealing with both of those issues, rough sleeping and housing, we are helping more rough sleepers each year than ever before and so I am not sure on what basis you say we are --

Andrew Boff AM: In terms of your housing budget.

Sadiq Khan (Mayor of London): On housing, we have met every target agreed with the Government. You will be aware that in the year before I became Mayor, roughly speaking, there were 7,000 housing starts. In the first year we had a target agreed. The target, I think, was 12,500 and we met that. The second-year target was 14,000. We got to 14,600. This year, we are well on target to meet the ever-stretching target of 17,000. We are meeting all the targets set by the Government. We are more stretched than ever before and I am optimistic that the Government will see London playing its part in addressing the needs of the country in relation to both housing and rough sleeping, too. We have an answer to your question about rough sleeping.

Andrew Boff AM: Thank you.

David Bellamy (Mayor's Chief of Staff): If you look at the GLA budget submission of 29 November [2019], the table under paragraph 3.16 sets out the externally funded programmes in the Housing and Land Directorate. Rough sleeping and other support is overwhelmingly Government funding. Sorry, this is page 12.

The 2019/20 budget was £7.74 million as it stood when that was put together with a budget proposal of £579,000 and then in future years £216,000 and then increasing a bit in later years.

Andrew Boff AM: OK. I could take up a lot of time asking you where that is in these sheets of paper in front of me. Perhaps you could write to me --

Sadiq Khan (Mayor of London): Page 12.

David Bellamy (Mayor's Chief of Staff): Yes. It is not in the Group documents that are before the Assembly now. It is in the more detailed submission on the GLA budget.

Andrew Boff AM: Could you send me that, please?

David Bellamy (Mayor's Chief of Staff): Yes, I am happy to.

Andrew Boff AM: Thank you. Getting back to your performance with regard to affordable housing, you have not done as well as your predecessor had and yet you have had more resources than your predecessor.

Sadiq Khan (Mayor of London): That is not true. Housing was devolved to City Hall in 2012 and we have, in the last two years, started more affordable homes than ever before since these powers were devolved to City Hall.

Andrew Boff AM: I hate to use the word 'disingenuous', but the Mayor has had control of the budget since 2008 through the HCA. He has had control.

Sadiq Khan (Mayor of London): The HCA is employed by the Government, not by the Mayor. The powers were devolved to London in 2012/13.

Andrew Boff AM: Who chaired that HCA London board that made the decisions?

Sadiq Khan (Mayor of London): It was the HCA and Homes England and the responsibilities were transferred to the GLA in 2012/13.

Andrew Boff AM: Who chaired the board that made the decisions?

Sadiq Khan (Mayor of London): The personnel were Government staff. In 2012/13, they were transferred over to City Hall and City Hall was devolved that function.

Andrew Boff AM: Who chaired the HCA London board, Mr Mayor, from 2008?

David Bellamy (Mayor's Chief of Staff): Chair, I am struggling a little with that one. It is a long way before our time in office. It is not really a question on the budget.

Andrew Boff AM: Yes, and it is not my job to answer questions, but it was the Mayor of London who took those decisions. Of course, back in 2009/10, 15,629 homes were built and, in 2010/11, 16,351, both of which would have beaten your record.

Sadiq Khan (Mayor of London): I am really grateful, Chair, because what the questioner gives me a chance to talk about is the fantastic investment from the last Labour Government.

What happened was that the fantastic last Labour Government invested huge amounts in genuinely affordable homes through the HCA. What happened was that in 2012/13 the first tranche of this horrible Conservative Government's money began coming in, but it was a massive cut, twinned with the devolution to City Hall. We had the double whammy of a Conservative Government cutting money to central London and also a Conservative Mayor being in charge of house starts in London, which led to a dip in housing starts on genuinely affordable homes and also a dodgy definition [of affordable housing].

When you fast-forward to 2016/17 when we negotiated a deal with the same not-very-good Conservative Government, what we have seen is a better definition of what a genuinely affordable home is and records broken in relation to genuinely affordable starts in London. I am grateful for the chance to set that out, Chair.

Andrew Boff AM: Thank you. I always like to give you an opportunity to talk. Talking of dodgy definitions, how many of those 12,555 homes that just scraped you into the target for 2017/18 were restarts and how many restarts were there in 2018/19?

Sadiq Khan (Mayor of London): We have those figures, but you will be aware, Chair, that the entire 116,000 is considered as one figure and so, if there was a restart in between the years, that would still count as only one of the 116,000. Of the 116,000, 58,000 are intermediate homes but the definition is one that leads to more genuinely affordable homes. If there is any concern about a restart between year one and year two, it still counts as one start in the entire six-year programme.

Andrew Boff AM: The restarts last year: how many were there?

Sadiq Khan (Mayor of London): I do not have those figures to hand in the budget report, but we can send those to you.

Andrew Boff AM: Thank you very much. Thank you, Chair.

Jennette Arnold OBE AM (Chair): Assembly Member Devenish.

Tony Devenish AM: Good morning, Mr Mayor. Your budget seems to lack a step change on the climate emergency since last year. What more can you do to embed the environment throughout your budget, please?

Sadiq Khan (Mayor of London): I am not sure, Chair, if that is a criticism of the additional £2.1 million or welcoming the additional £2.1 million investment in the environment.

Some examples of what that money is going to be used for - and I look forward to the support of the budget - are tackling air quality, helping to establish London as a National Park City, helping us move towards zero carbon and zero waste and also addressing the issue of severe weather and climate change impacts. I am happy to go through those if you want.

Tony Devenish AM: No, that is fine, thank you.

Sadiq Khan (Mayor of London): Fine. If I just address --

Tony Devenish AM: Can I ask you what happened to all the trees that you promised to plant?

Sadiq Khan (Mayor of London): I was quite clear in my manifesto that we were going to increase hugely the amount of trees being planted and I am really pleased to have the opportunity to say that in the first three years with me as the Mayor, we planted more trees than in the last eight years with Boris Johnson as Mayor. We have now, I am pleased to tell the Assembly Member, planted more than 200,000 trees since I became Mayor, which is more than in the previous eight years. Over the course of the next few months, we will get up to 280,000 trees. This budget is a good example of us investing not just in trees but, really importantly, in the environment.

Rather than being somebody who denies climate change is taking place, I am somebody who believes there is a climate emergency. I am going to take bold steps to address that.

Tony Devenish AM: Do you recall how many trees you promised to plant in your last manifesto, Mr Mayor?

Sadiq Khan (Mayor of London): Yes, we did not give a number. We said we were going to increase the amount of --

Susan Hall AM: Yes, you said 2 million.

Tony Devenish AM: You did. You said 2 million in the document.

Sadiq Khan (Mayor of London): Chair, let us be quite clear. What is being said by the Leader of the Conservative Group whispering into the ear of Assembly Member Devenish is that my manifesto said that I would plant 2 million trees. That is incorrect and I am really happy if somebody has access to the internet to check what my manifesto said. My manifesto did not say that we would plant 2 million trees. The manifesto made a clear promise, which we have more than exceeded, but also in three years we have managed to plant far more trees than the previous Mayor managed in eight years.

Tony Devenish AM: You have failed on trees and so is this city under your administration -- I think I will leave it on the Labour Group laughter, Chair. He has failed on the environment. Thank you.

Jennette Arnold OBE AM (Chair): Assembly Member Kurten, raise the tone.

David Kurten AM: I do not know if I can do that.

Jennette Arnold OBE AM (Chair): Go on. Try. Go on. Just raise the tone.

David Kurten AM: Mr Mayor, alluding to one of your previous answers, which I do not particularly agree with, one of the things that businesses will have to do in the next decade is to wean themselves off their dependency on cheap foreign labour, which has led to the rapid mass immigration that we have in the capital. That is why we need an Australian-style points system, which is coming in. We need also a cap and a salary threshold with that.

Where this relates to you, Mr Mayor, is that you are in charge of the AEB and so how are you going to make sure that your control of the AEB is going to lead to a skilling up of British citizens living in London?

Sadiq Khan (Mayor of London): I do not want to unpack all of that question. I am just going to deal with the bits that are tasteful. There are Londoners who currently do not have access to the brilliant jobs being created in our city because of lack of skills and a number of other reasons. We have to make sure we give them the aspiration and ambition and also the skills required to do the brilliant jobs created in London.

Also, we have the ability in London to use a challenge as an opportunity. The challenge is how we address the climate emergency, but it is an opportunity to create jobs in the future, for example, green jobs.

I will give you one example. You and I have talked in the past about black taxis and the importance of them playing their part. More than 3,000 electric taxis now in London were built in factories in the UK in the Midlands. That is a good example of jobs being created while also dealing with the climate emergency. There are other examples we can do in relation to FinTech [Financial Technology] or we can do in relation to other things in London.

You are right. The AEB being devolved to London allows us to make sure we can target the help to where it is needed. The Chair referred to, for example, BAME communities and she referred to women, the long-term unemployed and also those Londoners who have special educational needs and who are disabled. Having control of the AEB can help us make sure these people are skilled up to do the jobs that are being created in London.

David Kurten AM: Great. Mr Mayor, you mentioned children with special needs and you mentioned BAME communities, but one of the groups we know about that has poor educational attainment and is suffering is working-class white boys. What are you specifically going to do for that group of people, who really need investment because they have lagged behind in terms of educational opportunities?

Sadiq Khan (Mayor of London): Your first question was about adult education and you have now pivoted towards boys. I will go to boys if you want. I am not in charge of the education budget in relation to primary schools and secondary schools, but you are right to highlight that there are too many white working-class London boys who are not fulfilling their potential.

It is really important that primary schools, particularly in those parts of London that are deprived, have good teachers. One of the concerns we have is the difficulties schools in London have recruiting teachers because of the high cost of living and other challenges in London. I have worked with schools to help them recruit teachers in London. Assembly Member McCartney has done lots of work in relation to making sure we recruit and retain and also get good head teachers as well.

You are right. Schools should be the ladder by which children from ordinary backgrounds, white working class, can have their potential fulfilled. When you look at the General Certificate of Secondary Education (GCSE) results of white working-class boys, they are not good enough. If you look at those white working-class boys who go to university, it is not good enough. It is very important that throughout the education system much more is being done to help those young people. You have referred to one group that could do with some additional help.

David Kurten AM: Thanks for your answer, Mr Mayor. You are talking about primary and secondary schools, which is important to say but is not really what you have control over.

You have control over the AEB. How much of that in percentage terms are you going to spend to fund apprenticeships, particularly higher and degree-level apprenticeships, which will give people a real leg up and skill them up to do the jobs that need to be done in London?

Sadiq Khan (Mayor of London): There is the Apprenticeship Levy. We are in discussions with the Government about the Apprenticeship Levy to try to make sure we can keep more of what London puts in.

What happens at the moment is that quite a lot of the Apprenticeship Levy from London businesses leaves London. A lot of the smaller employers in particular in London want to take on apprentices but cannot because of the difficulties involved. We are in discussions with the Government about seeing whether big employers can work with smaller employers to deal with the admin side so that smaller employers can take on apprentices. We have, separately, the Mayor's Construction Academy, which is encouraging Londoners to be apprentices in the building trade, and there are, separately, apprentices we are encouraging employers to do.

As far as the FE budget is concerned, those are individual allocations to different providers. What we will do after the first two years, once we have given them stability, is talk to the providers about what they can do in relation to working with employers to have more apprentices across our city.

One of the things we have to do is to get rid of the snobbery that there is against vocational training. There is too much snobbery and pressure to go towards university without realising the huge benefits there are to vocational training as well.

David Kurten AM: OK. Thank you, Mr Mayor.

Jennette Arnold OBE AM (Chair): Thank you very much, Assembly Member Kurten. Now we move to the next section, which is the London Assembly component of the budget. Are there any questions on that? No.

Then we move to the next section, MOPAC, and we have Assembly Member Whittle with his question.

Peter Whittle AM: Good morning, Mr Mayor.

Sadiq Khan (Mayor of London): Good morning.

Peter Whittle AM: On this section of the budget, I have a couple of quite specific queries relating to paragraph 4.2, which is about MOPAC's earmarked reserves. There are just two points, really, which I would like clarification on.

There is a point at which you say there will be "other earmarked reserves to be drawn down include those used to smooth police officer numbers in the medium-term". How much would that be and what exactly does that "smoothing police numbers" mean, practically?

David Bellamy (Mayor's Chief of Staff): There are two things, Chair, that are going on there. First - and we talked about this last year - is the Government's intention to change business rates growth in order that those receipts come in at a later date than now. Now we get them as estimates in terms of when the taxes are actually paid. The Government is proposing that they come in later and that will mean a two-year cash flow change. Last year the Mayor set aside £118.6 million from business rates in order that we could bridge that and continue to fund the 1,000 extra police officers that the Mayor has funded. That is the main thing.

Then the other aspect of it is that there is a reserve for police officer smoothing. When we have found any underspends in the MPS's budget, we have kept those aside knowing some of the medium-term financial challenges facing the MPS in order to use that to keep officer numbers up. I do not have a precise figure on that, but I am sure we can get that if you want it.

Peter Whittle AM: I do not have much time left. You mentioned as well here that certain parts of the reserves will be used for updating "outdated technology". Something that has come to our attention at the Police and Crime Committee an awful lot is the way in which the lack of this forensic technology, particularly in

relation to sexual offences and phones now, which figure so largely, is actually halting action and charges cannot be brought. This is hugely important. What component of this new technology will actually be for those sorts of programmes? This is a huge priority.

Sadiq Khan (Mayor of London): If we do not have the figure, we can write to you. Just to reassure you about that, I visited one of the police buildings recently and this is now being rolled out in relation to the ability of police to put a phone into a device, far quicker than waiting weeks and weeks to get the information. We can write to you with the exact figure we have.

Peter Whittle AM: Yes, thank you. Is there a figure that you have?

David Bellamy (Mayor's Chief of Staff): Sorry, we did provide additional funding in previous budgets to allow more to be done in this space. The other thing that we have been doing is working with the police community and, when the Government has talked about the uplift of officers, ensuring that they are fully funded. We have been making the point very clearly that you need to think about officer salaries and you need to think about equipment but you also need to think about supporting services. It is no use having those additional officers if then the forensic services, as your example, are not there behind them to help them process the people they arrest. That is being built into the formula and we are expecting the Government to be honouring that in terms of the allocation decisions it makes.

Peter Whittle AM: This is one of your main priorities - violence against women, rape, and so on - and this is a huge obstacle at the moment.

Sadiq Khan (Mayor of London): Yes, it is.

Peter Whittle AM: Thank you.

Jennette Arnold OBE AM (Chair): OK. Assembly Member Desai.

Unmesh Desai AM: Thank you, Chair. Good morning, Mr Mayor. Mr Mayor, I have two sets of questions. The first set is around police funding and the second set is around funding the public health approach to youth violence and particularly the VRU.

To start off with the questions around police funding, Mr Mayor, it is welcome to see that last week the Government's police funding settlement showed that it has finally started to listen to calls from the Assembly, from you and from the Commissioner [of Police of the Metropolis] and has increased the funding provided for the force. However, the announcement does not come close to unravelling the £1 billion worth of cuts to the MPS over the last decade.

What more do we need, Mr Mayor, to see from the Government if the MPS is to get back to full health?

Sadiq Khan (Mayor of London): What we need is a complete reversal of the cuts that have been made. With the officers we are going to receive, we will still have fewer officers than we had before the cuts came into place. We need a huge increase in investment in police and also - the point alluded to by Assembly Member Whittle - the back-office stuff they need like forensics as well. All we received last week, although I welcome it, is funding for the 1,369 officers. We think that over the next two years we need to take that up to 6,000 with support as well.

Also, we need from the Government support for the things that stop people getting involved in crime in the first place: youth services, after-school clubs. Constructive things for young people to do are really important as well.

Unmesh Desai AM: Mr Mayor, just following on from that, can I specifically ask you about the National and International Capital City (NICC) grant? While we welcome the extra money for officers, it is notable that in the settlement the MPS has again been significantly underfunded through the NICC. We had Sir Stephen House [QPM, Deputy Commissioner, MPS] before the Policing [and Crime] Committee on 9 January [2020] when it was announced that the police settlement for NICC was £185.3 million. The Home Office accepted that it underfunds NICC and that London should in fact receive around £350 million for this.

What are the particular challenges with the underfunding of NICC and can you assure us that you are going to be holding negotiations with the Government to resolve the underfunding of this grant over the course of the next year?

Sadiq Khan (Mayor of London): The shortfall in the monies we should receive in the NICC is £160 million, if you look at the difference, and there was no increase in that in the announcement last week.

We will carry on lobbying the Government on the importance of the NICC money. You will know the challenges of being a capital city and a global city in relation to the sporting events we have, in relation to the diplomatic visits we have, in relation to the protests and demonstrations we have, and so on. The Government recognises the principle, which is why we have a NICC grant, but it is not funding us the amount we need. It is really important that it funds us for the amount we need. That is why we will carry on lobbying the Government - clearly, the Assembly can assist us - in relation to persuading the Government that it is the right thing to do.

It is actually the fair thing to do. Our comparator, with respect, is not Manchester, Liverpool or Sheffield. Our comparator is New York, which has a smaller population, more police officers and more support as well, even though it is not a capital city.

Unmesh Desai AM: It is worth pointing out that the independent civil servant whose name escapes me for the time being --

David Bellamy (Mayor's Chief of Staff): Richard Mottram [GCB, Chair, NICC Executive Panel, Home Office]?

Unmesh Desai AM: -- yes, also accepted that the MPS is underfunded.

Sadiq Khan (Mayor of London): Correct.

Unmesh Desai AM: If I can say so, Mr Mayor, in this area of police funding, certainly that does not have widespread recognition in that the MPS does work that is national and international. The public do not seem to be aware that the MPS is so grotesquely underfunded when it does such vital work. Perhaps in terms of our campaigning work, we might want to give attention to publicising this aspect of the MPS's work and then the funding from the Government.

Just moving on, thinking long term, will you be lobbying the Government to bring forward a multiyear police funding settlement, as called for by the Police Federation, that will allow the MPS to effectively plan for the

long term and that it provides assurance that the cuts we experienced over the last decade are to be fully reversed?

Sadiq Khan (Mayor of London): Yes. What we need is a proper three-year, at least, programme. Assembly Member Whittle referred to the challenges of smoothing. That is because we are never really sure what is going to happen around the corner. The Government needs to give us a long-term settlement so that we can plan properly.

Unmesh Desai AM: Mr Mayor, I have just one more question. In your opening statement to this Assembly, you said that you had no choice but to increase council tax, including the police precept. There has been criticism, certainly from what I have seen on social media, from some well-meaning people who are criticising you for doing this.

Why is it necessary for you to increase the council tax and the police precept? What would happen if you do not and what benefits does it bring to Londoners? You alluded to one or two sets of figures in your opening statement, but it is important to address this issue very directly.

Sadiq Khan (Mayor of London): Sure. Over the last four years, since I have been Mayor, each year I have increased the council tax police precept to the maximum I can go and that is because of the preceding six years and the cuts we have had. We have lost from our budget already £833 million because of central Government cuts. Because of my policies over the last four years, I forget the exact figure but we have put back into the budget around £280 million of money we would not otherwise have had. We have to do that because we have so few police officers. I will give you a compare-and-contrast.

In 2010, for every 1,000 Londoners, we used to have 4.1 police officers. Now, for every 1,000 Londoners, we have 3 police officers. When people say they do not see a police officer, it is probably true because we have fewer police officers. They are under-resourced and overstretched. I do not apologise for investing in London's security and safety and it is really important that we do that.

Unmesh Desai AM: Thank you. Just moving on to my next set of questions, I have a couple of questions here on the VRU. How crucial is funding to the VRU and to Rescue and Response in addressing youth violence?

Sadiq Khan (Mayor of London): Firstly, it is worth putting on record that the Government is supporting us for a second year in a row with the VRU. In the first year, it gave London's VRU £7 million - 2019/20 - and it has agreed to give £7 million for 2020/21. I want to thank the Government for that recognition of the work of the VRU.

The VRU is a way we can implement the public health approach, which is to deal with crime as you would an illness: deal with the infection, stop it spreading and stop future infections occurring in the first place. That will enable us to do things like after-school clubs, work with schools to avoid exclusions, and have youth workers in A&Es and trauma centres. In addition to the Government money, City Hall is investing millions of pounds in it as well, I think £7 million in 2020/21, on top of the £5 million we did last year. The core budget of the VRU goes up, which is really important going forward.

Unmesh Desai AM: Mr Mayor, I want to ask about performance indicators. In September 2018 you said:

"I want to be honest with Londoners that the work of the VRU will not deliver results overnight. The causes of violent crime are many years in the making and the solutions will take time."

We know, as you have said, that the VRU will not deliver results overnight. However, can you tell us how the VRU's performance will be measured? What positive changes in youth violence has the work of the VRU achieved? Will this information be readily available to Londoners?

Sadiq Khan (Mayor of London): Yes, they are really good points. We have a number of indicators to see whether the VRU is going to be a success. One is that we want to see a reduction in hospital admissions of those who have received a knife injury [aged] under 25. We want to see a reduction in knife injuries to those aged under 25. We want to see a reduction in all non-domestic homicides, especially where the victims are below 25.

There are a number of other things that we will also do. We will set out a strategic needs assessment, which deals with the drivers of serious youth violence, and also a response strategy as well.

We have a number of indicators and we will be able to see the success or otherwise of the VRU and will also be able to adapt our policies to make sure we scale up those things doing well and stop funding those things not doing as well.

Unmesh Desai AM: Thank you, Mr Mayor. I have one question but I will write to you about the Rescue and Response work.

Sadiq Khan (Mayor of London): Sure.

Unmesh Desai AM: Thank you, Chair.

Jennette Arnold OBE AM (Chair): Assembly Member Pidgeon.

Caroline Pidgeon MBE AM: Thank you very much. Mr Mayor, the Assembly has been told by you twice in the last three weeks - on 7 January and on 16 January [2020] - that the MPS's sale of police stations has been "paused", to use your words. Yet on 9 January, in answer to my questions we were informed by the Deputy Commissioner that the MPS would be pushing to proceed with all the planned sales of police stations in the capital.

We have some idea from the Government of how many additional officers you are going to be able to recruit in the next financial year and so when will clarity be given on the future of police stations that have closed but are yet to be sold?

Sadiq Khan (Mayor of London): Let me just clarify, Chair. There is a pause in relation to the sale of all of the estate that was previously planned. Some of the estate that is clearly not fit for purpose can still proceed because, even if the police force were to go up to 37,000, some of these - because of location, because they are in really poor condition - are not fit for purpose.

We will have a decision. It will go from the MPS senior management board to the Deputy Mayor [for Policing and Crime]. I can give you the exact date. I can write to you and give you the exact date.

David Bellamy (Mayor's Chief of Staff): It is imminent, yes.

Sadiq Khan (Mayor of London): It is in the near future, but I can give you the exact date offline. It goes from the management board to MOPAC --

Caroline Pidgeon MBE AM: To the Deputy Mayor?

Sadiq Khan (Mayor of London): Yes.

David Bellamy (Mayor's Chief of Staff): Really, that is a reflection of the outcome of the review and whether the review says, "Let us just pause on everything and check". That review is not complete and we still have uncertainty about future officer numbers. However, as the Mayor said, there are some buildings that the MPS has concluded that, yes, under no circumstances would they be a productive part of the estate.

Caroline Pidgeon MBE AM: Yes, I understand that, and for the capital investment we have talked about that there may be certain buildings you want to sell off, but the Deputy Commissioner was absolutely clear they had completed their review and they wanted everything that had been planned for sale to go ahead. Will this decision be made before the May elections? It is really important for Londoners to understand the decisions that ultimately you and your Deputy Mayor [for Policing and Crime] will be making.

Sadiq Khan (Mayor of London): Yes. We are not going to delay announcing that part of the estate is no longer required. We are not going to delay that because of the election because we need the revenues in.

Caroline Pidgeon MBE AM: There will be a decision before the May election on the sale?

Sadiq Khan (Mayor of London): Yes. I would be surprised if there was not a decision much sooner than that. If you work backwards and assume that purdah is around 23 March [2020], I would be very surprised if there was not a decision before then.

Caroline Pidgeon MBE AM: OK. That is really helpful. Then, when deciding on the future of police stations, will you and your Deputy Mayor be considering closely the outcome of the judicial review relating to Wimbledon Police Station and ensure that it remains open for the police and public to use?

Sadiq Khan (Mayor of London): Wimbledon Police Station is the Merton 24/7 front counter that is available. The commitment was for each borough to have one police station building that was open 24 hours a day, seven days a week, and my understanding is Wimbledon is the one for Merton. What I can do is write to you in relation to that particular police station, but there are no plans in relation to the discussion we have just had about those buildings no longer fit for purpose. Wimbledon is not one of those.

Caroline Pidgeon MBE AM: OK. Well, I am pleased to hear that.

Sadiq Khan (Mayor of London): Why do I not write to you to give you --

Caroline Pidgeon MBE AM: That would be helpful. You have previously looked at one 24/7 police counter in every borough. With more officers and so on, are you looking to increase that going forward?

Sadiq Khan (Mayor of London): To increase ...?

Caroline Pidgeon MBE AM: The number of 24/7 police counters.

Sadiq Khan (Mayor of London): No. Actually, with the investment we have given the police in mobile appliances, it is now possible for police officers to do far more work remotely and go the hubs, because they now have the tablets instead of them each having a desktop, as it used to be. What we are doing is making

sure there are police buildings available for police officers to use for the stuff they need do - it could be forensics; it could be whatever it is - but there is no need for there to be more front office counters. Actually, more and more members of the public are reporting crime either digitally or on the phone. The counters that are still open are not used much. Some of the counters have seven crimes reported in a day. There are no plans to increase front office counters. There could well be more police buildings but that would be for police officers and not public-facing.

Caroline Pidgeon MBE AM: OK. Lovely. Thank you very much indeed.

Jennette Arnold OBE AM (Chair): Assembly Member Bailey.

Shaun Bailey AM: Good morning, Mr Mayor.

Sadiq Khan (Mayor of London): Good morning.

Shaun Bailey AM: To what extent would your decision to cut £38 million in your first budget from the police staffing budget impacted on how much you have had to spend now to get our numbers uplifted in police number?

Sadiq Khan (Mayor of London): I do not accept the premise of the question, but it has had no impact on my budget today.

Shaun Bailey AM: It has had no impact at all? Of course it has because it has set us back. That guaranteed we were behind, further behind, where we would be now if you had not cut the funding then.

Sadiq Khan (Mayor of London): No. The reason why, Chair, we are further behind is that in the six years before I became Mayor, the previous Mayor chose not to increase the council tax police precept. In fact, in the four years before I became Mayor, he cut it. We have calculated that meant London lost more than £700 million of council tax revenues and we have calculated we have 2,000 fewer police officers. That is what has been a challenge for us is catching up with the combination of central Government cuts - thousands of officers because of the billion-pound cuts - but also 2,000 officers fewer because of cuts from --

Shaun Bailey AM: Mr Mayor --

Sadiq Khan (Mayor of London): -- because of council tax not being raised.

Shaun Bailey AM: Mr Mayor, you made the decision to cut that £38 million, which then left us behind the numbers we would have been at now. As we all know, it takes time to recruit officers. You cut that money. What decisions have you made now to speed us back up because you missed an opportunity because you missed an opportunity to keep our numbers moving in the right direction?

Sadiq Khan (Mayor of London): Sure. Chair, it shows a basic lack of understanding of the police budget. In 2017/18, which is the year alluded to, I raised council tax police precept to the maximum allowed, which meant we raised £25.3 million additional, but also the business rates that year were £2.5 million. As a consequence of my policies in 2017/18, we are had £27.8 million additional for the police budget. In 2018/19, £140.1 million additional. In 2019/20, £232.2 million additional and this year, £270.9 million additional.

Shaun Bailey AM: Mr Mayor, thank you for that, but the fact is you did cut the budget then for policing numbers and I am asking: has that had a material impact on how much you have had to invest now to try to catch us back up?

Len Duvall AM: Which year are you talking about?

Shaun Bailey AM: His very first budget, 2017/18.

Len Duvall AM: Boris Johnson's [former Mayor of London] budget?

Keith Prince AM: No.

Shaun Bailey AM: No, the Mayor --

Jennette Arnold OBE AM (Chair): Excuse me. Assembly Member Bailey, can you give your question again and be clear about the year you are talking about?

Shaun Bailey AM: In your 2017/18 budget you cut £38 million from the police staffing budget, which guaranteed we would lose some of our recruitment to policing. I am asking you today how much extra you have had to put in now to make up for the cut that you made in 2017/18 to your budget.

Sadiq Khan (Mayor of London): Chair, I am none the wiser. I have answered the question twice already.

Shaun Bailey AM: Maybe that is where the problem lies. You should not be none the wiser.

Sadiq Khan (Mayor of London): Chair, I do not --

Shaun Bailey AM: You cut the budget that paid the police's salary, so we had less police. It is quite obvious.

Sadiq Khan (Mayor of London): Chair, what the questioner does not seem to understand, and I am happy to explain again, is that in 2017/18 I increased the police budget by £27.8 million. I also increased it further in 2018/19 and increased it further again in 2019/20 --

Shaun Bailey AM: Mr Mayor --

Sadiq Khan (Mayor of London): -- so the question appears to be: what is the consequence of a decision made in 2017/18 --

Shaun Bailey AM: No, Mr Mayor, that is not the question. Did you or did you not cut £38 million from the police staffing budget in your 2017/18 budget? Yes or no?

Sadiq Khan (Mayor of London): I made no cuts to the council tax and business rates' input to the police budget --

Shaun Bailey AM: That is not what I am asking.

Sadiq Khan (Mayor of London): We increased the police budget.

Shaun Bailey AM: That is not what I am asking. I asked you a simple question. Yes or no is the answer. Please let us have it.

Sadiq Khan (Mayor of London): Chair, I did not cut the police budget in 2017/18.

Shaun Bailey AM: You cut £38 million from the police staffing budget in 2017/18, yes or no?

Jennette Arnold OBE AM (Chair): I have heard an answer from the Mayor so let us move on. He said no. Can I have a following question?

Shaun Bailey AM: That is --

Jennette Arnold OBE AM (Chair): No, I am not able, without information in front of me, to deal with correct statements. You asked a question; you got an answer. Do you have another question?

Shaun Bailey AM: But surely the Mayor should give an accurate answer to such a serious question.

Jennette Arnold OBE AM (Chair): Do you have another question for the Mayor?

Shaun Bailey AM: Thank you, Chair, no.

Jennette Arnold OBE AM (Chair): Thank you. Assembly Member O'Connell.

Steve O'Connell AM: Thank you. Morning, Mr Mayor and others. I want to return to the subject of the VRU, following earlier questions. We do have a crisis of violence in this town. On Monday night, you will be aware, in Croydon, we lost a 16-year-old young man, Louis Johnson, who indeed was engaged with the services. On the question of the VRU, picking up from an earlier point around KPIs - and you gave us some detail around the, shall I say, aspirational KPIs that you will be looking for - when may we see those measurements and how the VRU is performing?

Sadiq Khan (Mayor of London): Thank you, Chair, thanks for the question and thanks for the comments about the 16-year-old boy who lost his life in East Croydon Station. Those figures should be available -- we have agreed with the Government to provide them to the Government at relevant intervals and I will make sure they are publicly available as well. There is no reason why those should not be publicly available. As soon as we have them, I will make sure they are available.

Steve O'Connell AM: OK. We will continue looking for them through the Police and Crime Committee as well. You also touched upon funding earlier and it is pleasing that the Government has continued its £7 million funding towards the VRU in addition to your funding. I see within your budget you commented on increased core funding of £5 million in years to come. What I see is that is in the budget for four years hence. It continues for four years. I am interested in how long you are intending to sustain the VRU for because I believe when it was launched, 18 months ago now - there is no quick fix, I get that - we were looking at results hopefully over a couple of years. Tell me a little bit about your thinking around sustainability and how long you intend to support and invest in the project.

Sadiq Khan (Mayor of London): Ideally, Chair, we would want to have no need for a VRU because we have dealt with the issue of violent crime. The evidence is that it is unlikely that we will be able to reduce violent crime to the levels we want to in the very near future.

Steve O’Connell AM: Yes.

Sadiq Khan (Mayor of London): That is why we in City Hall think that for the foreseeable future we want to invest in a VRU. I would make this point, that the Government deserves credit, because last year they only agreed to fund the VRU for one year, the so-called surge approach, and that had to be out by March in 2019/20. To give them credit, they have invested for another year. We would like to persuade them to give us the certainty of funding because if you imagine you are somebody receiving a grant, you employ not for one year, you employ for a longer period. Or a young person receiving a facility. We are trying to encourage longer-term funding for some of these organisations and facilities.

Steve O’Connell AM: OK. Thank you. This, of course, is talking about the public health approach. The other side to the approach is the more traditional side around, perhaps, the Violent Crime Task Force (VCTF), which you introduced last year. I may have missed it; I do not see any notes around the sustainability or funding on the Task Force, Mr Mayor. Can you respond to that, please?

Sadiq Khan (Mayor of London): Yes. Thank you. The VCTF was funded from City Hall as well. It is an operational decision by the Commissioner [of Police of the Metropolis]. Again, for the foreseeable future, that will carry on. I do not have the exact figure, but from memory, it was £50 million. It is within the MPS budget. That will carry on, but actually it is being complemented from the announcement from Commander Jane Connors last week of 100 experienced officers, not part of the VCTF but targeting habitual knife carriers as well. I would like to reassure the Assembly Member that I have received no information from the Commissioner or her team that that work is not still very important, but what is happening is also a mainstreaming of some of the functions of the VCTF to other police officers. You will see more examples of the work that the VCTF is doing by the mainstream police as well.

Steve O’Connell AM: It is just a comment, really; the mainstreaming is important. When we Assembly Members on the [Police and Crime] Committee went out with the Task Force, at that stage they were being brought in from other parts of the organisation. Mainstreaming is important. Thank you, Chair. Thank you.

Jennette Arnold OBE AM (Chair): Assembly Member Prince.

Keith Prince AM: Thank you. Can I refresh your memory, Mr Mayor? This is a question that was asked by our good friend Assembly Member [Caroline] Pidgeon on 18 January 2017:

“How do you plan to reconcile your strategic objective of 32,000 police officers when your proposed budget for the Metropolitan Police Service contains a £38 million cut [which I believe is what my colleague Assembly Member Bailey was referring to] through recognising current police numbers, meaning there is no budget to pay for officer numbers above the current level of around 31,200?”

I can also jog your memory, Mr Mayor, that in your response you said that the cut would allow police numbers to be as high as 31,300. Clearly you did make the cut of £38 million, Mr Mayor, and clearly in your answer you recognised that there was a cut of £38 million.

Jennette Arnold OBE AM (Chair): Was there a question?

Keith Prince AM: The question was, “Can I refresh your memory?” to which he said yes.

Jennette Arnold OBE AM (Chair): OK. Is your memory refreshed and do you want to retract your previous answer to the question from Assembly Member Bailey?

Sadiq Khan (Mayor of London): Absolutely not, because I think what the question gives me a chance to do is to remind the Assembly that since 2017/18 we have had even further and deeper cuts from central Government. In fact, we have now reached £833 million worth of cuts from central Government.

Jennette Arnold OBE AM (Chair): No, no --

Sadiq Khan (Mayor of London): In 2017, it was only £600 million.

Jennette Arnold OBE AM (Chair): Mr Mayor, stop there. No, this was quite specific. Even I am on this. It is about a specific time; it is about a specific area --

Keith Prince AM: Thank you, Chair.

Jennette Arnold OBE AM (Chair): -- and we now have on record evidence because of questions asked. If you have no other questions, we will move on.

Keith Prince AM: No. Thank you, Chair. Very helpful.

Jennette Arnold OBE AM (Chair): Assembly Member Hall.

Susan Hall AM: Thank you, Chair. Mr Mayor, you are constantly blaming the Government. You refer to them as "the horrible Government". You have here a serious crime emergency in London. Let me give you an example because you love giving examples. If you run a household and your boiler breaks down and you do not have the money there and then, you look at all of your expenditure to see where you can make savings so that you find the money for that emergency. That is exactly what you should be doing in your budget. The truth is you do not take responsibility for anything, and as Mayor you are in charge of the police here and you should be taking responsibility. Since you do not, I sincerely hope you read our budget amendment. It shows you where you can make savings and where you can put money into making London safe. Thank you, Chair.

Jennette Arnold OBE AM (Chair): Assembly Member Duvall.

Len Duvall AM: Chair, I was waiting for the question --

Jennette Arnold OBE AM (Chair): No, there was no question.

Len Duvall AM: -- but I will move on.

Sadiq Khan (Mayor of London): They have given up. They have given up.

Len Duvall AM: Mr Mayor, taking responsibility and taking responsibility, but in terms of what you inherited as you arrived here - I was earlier listening to the issues of sustainability - the police numbers that you inherited were fixes and fixes and fixes. That was what we had, and we were still in a period, in your first year, of dealing with Government cuts, them saying, "You fund at this level and no more". Staffing budgets are not frontline policing budgets and at that time we had no capacity to train because Bernard Hogan-Howe [QPM, former Commissioner of Police of the Metropolis] had told and reported that the police and crime issue was heading on a downward trajectory. Is that correct in terms of your assessment as you arrived in and what you inherited at that time?

Sadiq Khan (Mayor of London): It is, Chair. What is clear to me – and this is me being generous – is that Members of the Conservative Group have selective amnesia. I will make sure that over the next 98 days I remind Londoners of what these lot have forgotten.

Len Duvall AM: Also, Mr Mayor, if I can, I will just come on to another question around some of the mixed messages. I am unclear what they are because Members of that Conservative Group sometimes say, “Do not put more money into policing”. Would you believe it, I have been following a certain Member and I almost want to do a hashtag group for him after his latest offering this morning of blowing Shaun’s [Shaun Bailey AM] trumpet because it was such a trauma for him in his earlier life. The issue is, Mr Mayor, can you not afford to invest both in policing, police numbers and public health? It is not an either/or.

Also, what we are not hearing today is the question of the impact of some of that infrastructure that was lost from local government and the cuts that have been imposed on that, whether it is youth service, whether it is youth custody issues or everything that goes with it. That has had an impact on tackling some of the violence in our communities that we face today.

Sadiq Khan (Mayor of London): Absolutely. If I was responsible for the boiler breaking down, I am not sure if I would be the right person to sort the boiler out. What this demonstrates is a complete wilful misrepresentation of the last years or understanding of how it is all linked. Assembly Member Duvall is right: you cannot make massive cuts in local authority budgets, so they are forced to have to close down youth centres --

Jennette Arnold OBE AM (Chair): We are not interested really in whether Assembly Member Duvall is right or wrong. I would like an answer to his question. Now, I am not clear what the specific question was.

Len Duvall AM: There was a specific question about the impact of local government cuts on violent crime.

Jennette Arnold OBE AM (Chair): Your commentary is fine, but I want an answer to a question.

Sadiq Khan (Mayor of London): Chair, to be fair --

Jennette Arnold OBE AM (Chair): No, I do not want Assembly Members’ views emphasised by you. Londoners want to hear your views. You are their Mayor.

Now we are going to move on because I have no further speakers in that section. Let us move on to the London Fire Commissioner. Assembly Member Berry, you have 56 seconds. I suggest you put a yes or no question.

Siân Berry AM: Assembly Member Russell.

Caroline Russell AM: I will do it. Mr Mayor, you have dedicated all the non-police increase in council tax precept to the London Fire Brigade (LFB). The Budget and Performance Committee recommended that the LFB should develop a performance framework that sets standards to meet the Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) recommendations and take into consideration the recommendations from the Grenfell Tower Inquiry, Phase 1. Will you ensure this happens so that we can be sure the investment is working?

Sadiq Khan (Mayor of London): Thank you for the question. I have asked the new [Fire] Commissioner to undertake a transformation programme in relation to what is required to deal both with phase 1 of the Inquiry

and the HMI report, but also keep an eye on Phase 2 as well. You will be aware that phase 2 began this week. We will make sure that the Assembly is kept up to date with all those developments.

Caroline Russell AM: Thank you.

Jennette Arnold OBE AM (Chair): Fabulous. Under a minute. Let us go to Assembly Member Dismore. Thank you.

Andrew Dismore AM: Mr Mayor, the Grenfell Tower Inquiry and the HMI CFRS investigation both set out areas of urgent and far-reaching reform needed in the LFB. It is important that you ensure the right transformation funding is in place. For example, the HMI CFRS report identified training in incident command and emergency blue-light driving as key issues to be addressed urgently. The Fire, Resilience and Emergency Planning (FREP) Committee will be looking at this in detail tomorrow but it is clear that the privatised training contract with Babcock signed off by the London Fire and Emergency Planning Authority (LFEPA) Chair Brian Coleman just before the 2012 election is expensive and has many shortcomings. Will you ensure the LFB has the necessary resources to build the required training packages and assurance arrangements - including, if necessary, the renegotiation of the Babcock contract, so as to ensure the public and firefighters are kept safe?

Sadiq Khan (Mayor of London): Chair, it is an important point. If I am allowed to agree with the assertion in the question raised by Assembly Member Dismore, you will be aware that we - unlike previous Mayors, who cut budgets to the LFB - have invested, and so there is £2.3 million in the budget for training. We will keep an eye on any recommendation from the Fire Commissioner to the points raised by Assembly Member Dismore.

Andrew Dismore AM: Thank you for that. While there remain hundreds of buildings in London with aluminium composite material (ACM) or other unsafe cladding - we are talking not just about tower blocks here - the LFB faces considerable uncertainty in demand as a result of this. They are having to carry out weekly checks on interim security measures at all buildings where stay put has been suspended, for example with Waking Watch, which is currently around 250 buildings across the capital.

There is still no national guidance about stay put from the National Fire Chiefs' Council, whose expert steering group only met for the first time in December [2019], two and a half years after Grenfell, to agree the scope of an evidence review into stay put and evacuation. Kit Malthouse MP, the Fire Minister, said that the Home Office will only begin the tendering process for the first package of research required next month. The outcomes of that research will inform operational research later in the year, so it is unlikely there will be any official guidance for some time to come. Meanwhile, the LFB also faces a more demanding operational response given concerns over stay-put and simultaneous evacuation.

Do you agree that this state of affairs is pretty worrying, will you ensure the LFB is resourced to deal with it, and will you put pressure on the Government to get on with this and produce some clear guidance?

Sadiq Khan (Mayor of London): We continue to put pressure on the Government to get on with it, as you would say. I met with members of the Grenfell Tower community last week, bereaved families and survivors, and they are really distressed, not just in relation to what is happening with the Inquiry and their families but also the fact that there are still buildings across the city and the country that are unsafe. These are building safety failures which mean the original procedures that the Fire Service had been trained to implement cannot now be done because they have to think about evacuation at the same time as, for example, putting out fires.

Andrew Dismore AM: One of the problems is with the funds from the Government to effect remediation. There are probably about 110 or 120 private sector towers in London and only about half of those have

approached the fund so far for assistance. That really does need looking at. What can you do to try to encourage the private sector to get on with remediation?

Sadiq Khan (Mayor of London): We are putting pressure on them to get on with the remediation and then, later on, deal with the issue of who pays. It is important that the buildings are made safe as soon as possible. I make this point. You mentioned the Waking Watch. Currently, leaseholders are often having to pay for that, which is a real problem for them. We are saying to the Government, "Step in to help the work be done, and then later on have the discussion about who reimburses who for the remediation work being done". In the meantime you have buildings that are clearly unsafe, and the temporary measures are more expensive in the long term. It makes more sense to get this done as soon as possible, and then later on deal with the issue of who pays.

Andrew Dismore AM: In relation to social housing, the Government has obviously made clear it is only going to pay for ACM cladding on tall buildings. The cost of other fire precaution works that need to be done - for example, fire doors, which have been found to be defective quite widely - is going to fall on the housing revenue accounts of the various local authorities concerned, which will impact on all tenants and leaseholders across that particular borough. That will also have, therefore, a knock-on effect on other repairs and refurbishments. Do you think that is fair?

Sadiq Khan (Mayor of London): It is not. Can I just share with the Assembly that already some of those housing associations who had committed to start building more affordable homes are getting a bit concerned because they are worried they may have to divert that money for new homes towards doing the remediation work you referred to. That is why it is really important for the Government to step in and help sort this out.

Andrew Dismore AM: Again, the Government have still failed to act even on the Lakanal House inquest recommendation about retrofitting of sprinklers. Do you think the Government needs to get on with looking at fire suppression systems retrospectively being fitted?

Sadiq Khan (Mayor of London): Absolutely, and I would remind the Assembly the Lakanal House fire occurred 10 years ago.

Andrew Dismore AM: The last point I would like to put to you, Mr Mayor, is that this morning in the Grenfell Inquiry, phase 2, the building contractors asked for immunity from prosecution for anything that they say at the Inquiry. Do you think that is fair?

Sadiq Khan (Mayor of London): Going from the conversations I have had with survivors and bereaved families, they would find it outrageous that anybody who is culpable and liable should escape that. It is really important that justice happens.

Andrew Dismore AM: Thank you for that. Certainly I would share that sentiment, that people ought to come clean with what they have been up to and give the survivors and relatives some comfort that they will actually get to the bottom of the story, no matter how many years it takes.

Sadiq Khan (Mayor of London): Yes.

Jennette Arnold OBE AM (Chair): Thank you for sharing that. OK, we move on to the next section, which is TfL, and we have Assembly Member Shah.

Navin Shah AM: Thank you, Chair. Mr Mayor, this is on the Spending Review. You said, and I quote:

"I will be lobbying the Government for a decent settlement in the Spending Review, not just to pay for future investment in infrastructure from the Sutton tram to the Bakerloo Line Extension to Crossrail 2 and other major projects we need, but to support us in relation to revenue spend as well for Transport for London."

In that context, can you outline what investment projects you will be looking for the Government to support and what revenue support would you like to have?

Sadiq Khan (Mayor of London): Thank you. You can break down the capital ask in relation to the CSR into three broad areas.

One is we have to carry on investing in the infrastructure we already have. It is used quite intensively by north of 11 million people every day in relation to journeys taken, so we need support to keep that going.

Secondly, we need support in relation to our road network. You will be aware that although Londoners pay the vehicle excise duty, it goes out of London. It does not come back to London. We have been subsidising road maintenance using public transport fares. That cannot be right. We need support in relation to our roads, really important, the maintenance of critical road infrastructure.

The third thing is what you alluded to, which is new infrastructure going forward, whether that is Crossrail 2, whether that is signalling around the Piccadilly line or whether that is the southern extension to the Bakerloo line. We need to carry on getting that support as well. Our city's population is growing. If you see the growth in our population in the last 20 years, it is going to go up even more over the next 10 years as well. There is nothing wrong *per se* with growth, but we have to plan for that growth. Also, investing in transport infrastructure can lead to us building the homes we need and also create the jobs we need as well.

Navin Shah AM: Yes, Mr Mayor, I agree with the need for investment. Sticking to the Spending Review, the Chancellor [of the Exchequer] is drawing up new spending rules for his Budget in March and from that it seems that he is going to refocus investment away from southeast London and towards other parts of the UK. Mr Mayor, what effect do you think it will have in terms of moving investment away from London to the infrastructure and transport of capital?

Sadiq Khan (Mayor of London): First, let me say I am not against increased investment in other parts of the country. Other parts of the country clearly need more investment, particularly in infrastructure as well, but it should not be at the expense of London. It is possible - and there is clearly money there, from some of the election pledges made - to invest both in London and the southeast, but also other parts of the country as well. It is not a zero-sum game. If you look at the report done by the National Infrastructure Commission, the National Infrastructure Commission recognise that investing in infrastructure in London benefits the nation and is a national investment. We have to persuade the Government that they should invest in London as well, but it is really important it should not be at the expense of other parts of the country. Nor should other parts of the country be at the expense of London.

Navin Shah AM: Yes, Mr Mayor, I agree. Like you said, London is facing and undergoing - and will undergo for many years to come - a major scale of development, which is what we need for housing, economic growth and so on. For that, we need investment so that transport is fit for purpose.

Moving on to the last point, when Mr [Boris] Johnson [MP] became Mayor he led a bonfire of transport projects, cancelling the Thames Gateway Bridge, the Docklands Light Railway Extension to Dagenham Dock,

and the Cross River Tram. Instead, he put money toward his vanity projects such as the new Routemasters for London. Should Londoners be extremely concerned and alarmed that he will launch a new bonfire of projects in London?

Sadiq Khan (Mayor of London): I hope not. I had a very good meeting yesterday with the Minister for London. I am looking forward to seeing the Chancellor soon. I would be more alarmed if I lived in Sheffield and Manchester about an empty cable car being built from one to the other, or a Garden Bridge in Leeds. It is important for us to persuade the Government that they should not be cancelling projects in London, they should be starting new ones.

Navin Shah AM: Thank you, Chair. Thank you.

Jennette Arnold OBE AM (Chair): OK, Thank you. Assembly Member Prince.

Keith Prince AM: Thank you, Chair. Mr Mayor, as we come to the end of your term, can we look at what you did say in your manifesto? Under transport you said, and I am reading from it, "TfL will explore the generation of new income streams". Could you tell me, Mr Mayor, in the last four years that you have been Mayor, what new income generation streams has TfL done?

Sadiq Khan (Mayor of London): I can give you some examples straight away. In relation to the housing we are doing in London, we do not seem to be selling off the freehold land TfL has. We are keeping the freehold and building record numbers of genuinely affordable homes in London. The target is for 11,000 starts, I think, by 2021, half of them being affordable. That will be an income stream coming into TfL which is really important to build upon.

Another income stream is the Night Tube and Night Overground. It is really important that we have those going. It is bringing in huge benefits to not just TfL but to the London economy. We will carry on with the commercial deals we have. Often the commercial wing of TfL is speaking to colleagues around the world to see how we can be assisting them with the technology we have with pay-as-you-go and contactless, but also other technologies as well. We have an innovation team within TfL. For example, we have in London the piloting of some of the driverless cars, in Greenwich. We are doing some work there which provides opportunities going forward, particularly to the disruptive technology sectors --

Keith Prince AM: Mr Mayor, if I can just ask you to constrain yourself to what income streams we actually have, not the pie in the sky stuff.

Sadiq Khan (Mayor of London): They are all income streams.

Keith Prince AM: I accept the Night Tube is what we have, but what do we have? You are talking about stuff that is in the future. I am talking about --

Sadiq Khan (Mayor of London): No, there are --

Keith Prince AM: -- it is quite clear, the generation of new income.

Sadiq Khan (Mayor of London): Well, actually --

Keith Prince AM: Can I help you, Mr Mayor? You did, in your manifesto, refer to the land and that is something that we will see in the future, but what you said is that you will be establishing a trading arm that

can run bus and other local transport services and sell its expertise at home and abroad. Can I ask you, Mr Mayor, where is that trading arm and how many bus services and local transport services, which you promised in your manifesto, is TfL actually running at the moment?

Sadiq Khan (Mayor of London): Chair, I have very handily been given by the Chief of Staff the commercial consulting and international operations pages --

Keith Prince AM: No, I said --

Sadiq Khan (Mayor of London): It is important that I set the record straight, do you not think, Chair? I have been asked a question about revenues --

Keith Prince AM: Calm down, Mr Mayor, calm down. This is only --

Sadiq Khan (Mayor of London): -- and it is right and proper that I should explain. What the Commercial Consulting and International Operations Team are doing at TfL is leveraging our globally recognised expertise and establishing ourselves as a leading consultancy in transport solutions, delivering a profitable revenue stream and self-financing growth and thereby maximising the benefit of our organisation and London. We are entering the market with like-minded partners and across the three workstreams of advisory services, intellectual property, and operating and maintenance services, the forecast is we will provide development opportunities for our talented people and generate tens of millions of pounds of net revenue during the Business Plan.

Keith Prince AM: I did ask you, Mr Mayor --

Sadiq Khan (Mayor of London): £45 million --

Keith Prince AM: -- to constrain yourself to the money we are actually getting. I did ask you earlier to constrain yourself to the actual money that we are getting.

Sadiq Khan (Mayor of London): Chair --

Keith Prince AM: I did also specifically ask you, Mr Mayor, about what bus routes TfL are currently running, as per your manifesto and what other local services TfL are currently running.

Sadiq Khan (Mayor of London): Let us get this right. We are --

Keith Prince AM: The clue is in the word 'current' --

Sadiq Khan (Mayor of London): When a question is asked --

Keith Prince AM: -- not pie in the sky.

Sadiq Khan (Mayor of London): When a question is asked about an area and I answer, the question then moves on to a different area because he does not like good news. The only people talking down London and wishing us ill are Conservatives --

Tony Devenish AM: It is you.

Sadiq Khan (Mayor of London): I was asked a question about revenue streams; I was answering the question --

Tony Devenish AM: Current.

Sadiq Khan (Mayor of London): -- and because it was a good answer, I am interrupted and stopped --

Keith Prince AM: No, I accept it.

Sadiq Khan (Mayor of London): -- and asked to move on to a different area.

Keith Prince AM: I am asking you to --

Sadiq Khan (Mayor of London): I am glad you accept it.

Keith Prince AM: Current --

Sadiq Khan (Mayor of London): I am glad --

Keith Prince AM: I accepted the Night Tube.

Sadiq Khan (Mayor of London): I am glad you accept good news. That is good to see.

Keith Prince AM: I accepted the Night Tube, but what bus companies are you running? What routes are TfL --

Sadiq Khan (Mayor of London): Well --

Keith Prince AM: I will keep it very clear and easy for you, Mr Mayor --

Sadiq Khan (Mayor of London): Let me deal with this. Let me deal with this.

Keith Prince AM: -- which I know you like to do.

Sadiq Khan (Mayor of London): Let me deal with it.

Keith Prince AM: A very simple question: which bus routes are TfL currently running, as per your mayoral promise in your manifesto? Which bus routes are TfL running directly under their trading arm?

Sadiq Khan (Mayor of London): I am glad you welcome the good news in relation to revenues brought in since I became Mayor.

Keith Prince AM: Of course.

Sadiq Khan (Mayor of London): Sorry?

Keith Prince AM: Of course.

Sadiq Khan (Mayor of London): Of course you welcome them. Fantastic. That is on the record. In relation to bus services, we provide, roughly speaking, 700 bus services or bus numbers across London with the various companies we work with. The good news is that since I have become Mayor we have introduced increased services in outer London, and we have managed to do that --

Keith Prince AM: No, Mr Mayor, you are not answering the question. The question is very simple because I have learnt by experience that you are a very clever man so I have to keep the questions very simple. A very simple question: what bus companies are TfL directly running? Which bus services are TfL - you can give me the bus numbers - directly running through their trading arm? The promise was establishing a trading arm that can run bus and other local transport services. Which bus service is TfL currently running, Mr Mayor? Your Chief of Staff can give you the answer.

Sadiq Khan (Mayor of London): I think he was just saying that you calling me a clever man was not an indictment of your candidate.

Jennette Arnold OBE AM (Chair): There are no candidates --

Keith Prince AM: Chair, childish, childish.

Jennette Arnold OBE AM (Chair): Mr Mayor, I am just going to ask you to park that to the side. There are no candidates in this room at the moment. You are the Mayor and you are here to get questions on your budget. Now, I can understand the question. I even know the answer --

Keith Prince AM: Yes, we all know the answer.

Jennette Arnold OBE AM (Chair): -- and I have not sat on the Transport Committee for donkey's years. TfL do not run any bus services. Can we just have an answer?

David Bellamy (Mayor's Chief of Staff): So --

Jennette Arnold OBE AM (Chair): That was the question. Do TfL run any bus service directly?

Tony Devenish AM: From the Mayor, please.

David Bellamy (Mayor's Chief of Staff): Are you saying overseas? So that we are clear, to keep it a very simple question --

Jennette Arnold OBE AM (Chair): Sorry, Chief of Staff, no, the question stands to the Mayor. As I say, everybody knows the answer.

Sadiq Khan (Mayor of London): Chair, the question was in relation to overseas and the Chief of Staff has the --

Keith Prince AM: No, it was not.

Jennette Arnold OBE AM (Chair): No, he has gone on. He has moved on.

Sadiq Khan (Mayor of London): Has he?

Jennette Arnold OBE AM (Chair): Yes. I have moved him on. There is just a short question. Do TfL directly run any bus services in London? Bus routes?

Sadiq Khan (Mayor of London): Chair --

Jennette Arnold OBE AM (Chair): No, just answer.

Sadiq Khan (Mayor of London): The last time I checked, Dial-a-Ride was a TfL service.

Keith Prince AM: What was that he said? What did he say?

Jennette Arnold OBE AM (Chair): Dial-a-Ride.

Keith Prince AM: Dial-a-Ride?

Jennette Arnold OBE AM (Chair): You have your answer.

Sadiq Khan (Mayor of London): Sorry, Chair, did you say --

Tony Devenish AM: -- in four years.

Jennette Arnold OBE AM (Chair): You heard the Assembly Member's question.

Keith Prince AM: That is not run by the trading arm, Mr Mayor. Very clever.

David Bellamy (Mayor's Chief of Staff): The trading arm is overseas. The Chair --

Keith Prince AM: Good try.

David Bellamy (Mayor's Chief of Staff): -- asked about this country.

Keith Prince AM: It is not run by the trading arm.

Sadiq Khan (Mayor of London): Chair, can I explain? The trading arm is for services provided overseas. We do not need a trading arm for services provided in London.

Jennette Arnold OBE AM (Chair): OK. That is it.

Keith Prince AM: Can I actually --

Jennette Arnold OBE AM (Chair): Another question?

Keith Prince AM: I will just finish, actually.

Sadiq Khan (Mayor of London): Susan [Susan Hall AM], help him out. He is just floundering. It is embarrassing.

Keith Prince AM: No, Mr Mayor --

Jennette Arnold OBE AM (Chair): No, no --

Keith Prince AM: I will just finish.

Jennette Arnold OBE AM (Chair): No, please. We are nearing the end and so far he has been good.

Keith Prince AM: I will just finish on this. Mr Mayor, do you think it --

Sadiq Khan (Mayor of London): I would ask Shaun [Shaun Bailey AM] but he is useless as well.

Keith Prince AM: Do you think it is really helpful when you use childish playground language like you have done in relation to a possible other candidate in the room? More importantly, Mr Mayor, you say you need so much from the Government and you do, and the Government do work with you. You had a very good meeting, I believe, yesterday with the Minister for London. You go around then referring to the horrible Government. Do you think this childish playground language really helps London and really helps you to get the money that you need from this Government, Mr Mayor, bearing in mind also that they have stumped up all the extra cash needed for Crossrail?

Sadiq Khan (Mayor of London): I am gathering, Chair, the Assembly Member has moved on from the commercial activities --

Jennette Arnold OBE AM (Chair): To language.

Sadiq Khan (Mayor of London): -- to the trading arm --

Jennette Arnold OBE AM (Chair): It just does not fall into this section, so I am going to --

Sadiq Khan (Mayor of London): Well, quite.

Jennette Arnold OBE AM (Chair): We are not here about language. Do you have a question about TfL or have you finished?

Keith Prince AM: That is fine. I have moved on. That is fine.

Jennette Arnold OBE AM (Chair): Thank you. Assembly Member Devenish, we are on TfL.

Tony Devenish AM: Mr Mayor, during your meeting with the Minister for London yesterday, did you discuss Hammersmith Bridge, please?

Sadiq Khan (Mayor of London): No, we did not.

Tony Devenish AM: You did not? Do you think that it would be advisable for you to raise this with the Minister? Clearly neither the Labour Council at Hammersmith and Fulham nor TfL have to date solved the issue. We have had nine months of misery for residents both sides of the bridge. We have a clean air catastrophe both sides of the bridge. We would like to accelerate progress, please. Could you please raise it with the Government if you need their help?

Sadiq Khan (Mayor of London): Chair, can I just reassure residents of that part of London and others affected by the closure of Hammersmith Bridge that the Deputy Mayor [for Transport] is in constant contact

with both the councils but also central Government? We are aware of the huge inconvenience caused to local residents and I am really pleased that Assembly Member Devenish raised it. It is not a criticism; the meeting we had yesterday was on strategic issues in relation to going forward. It is not a criticism of the meeting with him. I can reassure you that is something we are dealing with and we hope to make an announcement shortly in this area in relation to progress made. I understand the huge inconvenience caused with the bridge being closed.

Tony Devenish AM: Thank you. Will that announcement include a survey of the air quality on both sides of the bridge, please?

Sadiq Khan (Mayor of London): I would be happy to look into that. You mean the impact of the closure on air quality?

Tony Devenish AM: Yes, please. Thank you.

Jennette Arnold OBE AM (Chair): Thank you. Assembly Member Dismore.

Andrew Dismore AM: Thank you, Chair. Can I bring to your attention, Mr Mayor, two projects that my constituents have been campaigning on for over 20 years? The first is a pedestrian/cycle crossing at Stirling Corner. Those who were here during Boris Johnson's era will know that he repeatedly reneged on his promise to cycle around it to prove that it was safe when it was not. Can I therefore thank you for actually acting on that and that the pedestrian/cycling crossing will shortly be in place. The other project that local people had campaigned on for well over 20 years is step-free access at Mill Hill East Tube station, and again can I thank you for delivering on that because that will again be operational very soon.

Sadiq Khan (Mayor of London): Thank you very much. Can I thank you for your campaigning on both those issues. The legacy you will leave are those important changes to your part of London, which will make a huge difference for many, many years to come.

Andrew Dismore AM: Thank you.

Jennette Arnold OBE AM (Chair): OK, thank you very much. Do Members have any questions on the London Legacy Development Corporation (LLDC)? You do, Mr Boff?

Andrew Boff AM: Yes. Mr Mayor, when will it wash its face?

Sadiq Khan (Mayor of London): Not for the foreseeable future will we not be subsidising the LLDC. You will be aware from previous conversations we have had we are hoping in the next few years to give the councils back control over the various parts of areas in their own boroughs. We still look to opportunities to increase revenue streams but at the moment, for the foreseeable future there will be a subsidy from City Hall.

Andrew Boff AM: It is not quite the promise that we were promised when we were given the Olympics and set it up. We were told that it was going to pay for itself in no time at all. By 2016 it would no longer cost us any money. It has been a white elephant, really, has it not?

David Bellamy (Mayor's Chief of Staff): There are two issues here. There is the cost that you see in the budget of LLDC, both in terms of the maintenance of the park and the facilities therein, and obviously the capital investment in the regeneration growth in the area, for example East Bank. The other aspect is that as the area regenerates and more buildings are created, that leads to significant increases in council tax and business rates. While there will be, inevitably, ongoing costs associated with the Olympic Park, if you are going

to look at the LLDC in the profit and loss sense, you cannot just look at it in terms of its budget and its own account; you have to look at the successful outcome of the regeneration and the economic growth in terms of all the extra businesses at places like Here East, the universities, their impact and the money from business rates and council tax, which will flow back to the Mayor.

Andrew Boff AM: Mr Bellamy, you have brought nothing novel to the table, but thank you anyway for your answer.

David Bellamy (Mayor's Chief of Staff): Pleasure.

Jennette Arnold OBE AM (Chair): That is the LLDC. Let us then go on to the last area, the OPDC. Assembly Member Hall, you have a question?

Susan Hall AM: Thank you. Mr Mayor, you said at the Budget and Performance Committee on 7 January [2020] that you had confidence in the Chair and Chief Executive Officer (CEO) of OPDC. Do you stand by that comment?

Sadiq Khan (Mayor of London): The Interim CEO, yes.

Susan Hall AM: OK. Now that the OPDC has published the details of its HIF bid, which suggests that they claimed Cargiant supported them well beyond the point at which their support was withdrawn, do you think that it is acceptable that such a bid was ever submitted?

Sadiq Khan (Mayor of London): I am not sure I agree with the summary of the HIF but what I am clear about is that because of the circumstances changing, particularly with the increase in value of the industrial land, because of Cargiant not being keen on the development and the cost there would have been of the compulsory purchase order (CPO), the right decision was taken to withdraw from pursuing that and to begin discussions with the Government about what assistance they can give in relation to alternatives to the previous plan.

Susan Hall AM: You are not aware then of the details of the OPDC's HIF bid?

Sadiq Khan (Mayor of London): I was, and there is a timeline that sets out the beginning of the conversation, negotiations, previous agreements, and willingness from Cargiant is not being alleged throughout. Also, Cargiant is a thriving business and has been for some time, and with their unwillingness it does not make sense for OPDC to pursue a CPO, bearing in mind the massive increase in value of industrial land.

Susan Hall AM: What discussions have you had with the OPDC since the HIF bid was withdrawn?

Sadiq Khan (Mayor of London): One of the things that is causing a problem is the Government's review of High Speed 2 (HS2). You will be aware that when or if HS2 happens and Old Oak Common Station is built, that will probably be the biggest new surface station in the country in decades. That is a huge opportunity. If the Government decides not to pursue HS2, that is a different consequence for OPDC. OPDC are currently talking to those landowners, whether it is HS2, whether it is Network Rail or whether it is those in Park Royal, to go forward, and are working on a plan on both bases.

Susan Hall AM: Are you not upset that with the HIF bid, they have had to walk away from £250 million of seed funding?

Sadiq Khan (Mayor of London): I would have been criticised, rightly so, had we pursued a course of action that was very expensive and not sensible, simply so we could cash the cheque written by Government. I would rather say to the Government, "Listen, the strings attached to this cheque are not worth the price that we are chasing. Let's go to a plan B and let's work out other ways that you could help us pursue the development of Old Oak Common". It is a 30-year project, but we should not be spending huge sums of money on a project that could be done a lot cheaper.

Susan Hall AM: Were any of your staff aware of the bid that they put in, with all the attachments to that bid? Did anybody check from your office that it was all sound when the bid went in?

Sadiq Khan (Mayor of London): I think we are confusing the bid for the HIF money with the interim report in relation to the draft London Plan. What happened was there was a review undertaken when I first became Mayor. The team at OPDC worked extremely hard to persuade the Government to give us support financially through HIF. That took a number of years. At the same time --

Susan Hall AM: It is the bid. I just am interested what your thoughts are. There was a complete change and it was announced on 13 December [2019], the day after the general election --

Jennette Arnold OBE AM (Chair): Assembly Member Hall, you are out of time.

Susan Hall AM: Perhaps you will write to me about when you knew about this, Mr Mayor.

Jennette Arnold OBE AM (Chair): Assembly Member Shah.

Navin Shah AM: Mr Mayor, leaving aside the complex issue about Cargiant's site, can you confirm that there is the capacity overall in terms of OPDC to be able to deliver the very vision which it set out to deliver, 25,500 homes as well as about 65,000 jobs, on this, Europe's biggest regeneration site?

Sadiq Khan (Mayor of London): Yes, but do not forget OPDC will need to flex up and flex down over the next 20 or 30 years. At this stage, the size of OPDC and its budget is quite small. If HS2 does happen, as we hope, Old Oak Common does happen, and the Government does give the support that it will need to scale up and flex, OPDC could become much bigger. Over the course of time --

Navin Shah AM: Sure. No, I appreciate that. Over the course of time, things can and will happen. But the point is, in terms of capacity, we have been told that from the other land packages available there is still scope to develop the scale of development that has been envisaged.

Sadiq Khan (Mayor of London): Yes. Absolutely. Our focus in the short term is working with Park Royal, working on schemes in and around Willesden Junction, which is already there. I think 5,000 homes have been granted permission and are going full steam ahead. We should not think that simply because of the Cargiant land issue, and also because of the delay in HS2, this will not happen and there is no huge optimism and potential. There is.

Navin Shah AM: Thank you very much.

Jennette Arnold OBE AM (Chair): Thank you. Mr Mayor, and thank you to your advisors.