

London Assembly (Plenary) - 28 January 2015**Transcript of Agenda Item 3b – Draft Consolidated Budget 2015/16 – Response by the London Assembly's Budget and Performance Committee to the Mayor of London's GLA Group Budget Proposals and Precepts 2015-16 Consultation Document**

Roger Evans AM (Chairman): I now invite Mr Biggs to present the report of the Budget and Performance Committee. You have five minutes.

John Biggs AM: For those who are wondering what my role is here, I am a Labour budget spokesman but my job here is to speak on behalf of the cross-party Budget [and Performance] Committee on our scrutiny of the Mayor's budget, and so I will try to be pretty consensual and all of our reports have been consensual on that. I would commend to Members our pre-budget report and our response to the Mayor's consultation. The context of this is that when we speak to our borough leaders across London we find that City Hall has, up until now, got off relatively lightly when you look at some of the scales and cuts that local authorities have faced. In the current year the ratchet is tightening and, for example, the police service needs to find year-on-year roughly £200 million of savings. We have had to scrutinise and understand how that will be managed. Yesterday I think the Police Federation was talking about the great concern of their members about the effectiveness of policing as this pressure is borne.

The Mayor is very much committed to his target of 32,000 officers. We have queried him on that and the sustainability of it. We note that police are being abstracted for further anti-terrorism work and we have to continue to scrutinise and understand the extent to which London's policing can be sustained at its current levels, and the next mayor will have to grapple with this in a more substantial way.

There have been lots of closures of police and fire stations in London and there have been disposals as a result of that. One of our recommendations is that the Mayor needs to put together a framework so that London can work consistently on disposals. I think the current hot topical issue is about the Southwark Fire Station, which is going to achieve a fairly substantial capital receipt, but the Mayor wants it to be disposed below market value for a free school. He has the right to do that but we need to get the context and policy framework right for that.

Moving on to the Metropolitan Police Service (MPS). The MPS is banking on massive investments in information technology. There are already some concerns about the ability of the MPS to keep to that programme, but it does need to keep to that programme because the savings generated through that will help to maintain the resources for frontline policing. In the current year we will have to look at the intentions to outsource services in the MPS because, again, that is required under the Mayor's programme to achieve the savings to protect frontline policing. We need to look at that in the context of other experiences in the UK of outsourcing and their effectiveness.

Moving on quickly to housing. The disposal of buildings by the Mayor and the GLA family have been pretty good in terms of values, but of course the values of land mean that the delivery of housing is a lot tougher in London. It is becoming more expensive to deliver affordable housing. I think many Londoners would question even the use of the word "affordable" for some of the products that are on offer, which are certainly accessible to some but many Londoners are frozen out by those levels of cost. The Mayor expects to build roughly 18,000 affordable homes this year under his definition. However, next year only 4,300 are targeted to be built and we want to cross-examine that.

I note in today's *Times* there is a pipeline of 54,000 properties in London which could be sold above £1 million, and yet only 4,000 such properties were sold last year. That does question whether there is a balance in the right place on the market provision and the demand for housing in London.

On apprenticeships, the Mayor has spoken about that. The Committee does wonder whether his explanation – that so many people are in work that they do not need apprenticeships – is quite accurate and we will want to examine that further.

Regeneration: the abolition of the London Development Agency (LDA). Many of us supported the abolition of the LDA, given previous events, but the absence of it and its resources is becoming more obvious, and Transport for London (TfL) is appearing to be increasingly used for regeneration-type activities and we need to look at what is going to happen when the London Enterprise Panel (LEP) develops in the current year and whether its resources are sufficient.

Moving on very quickly again to transport – this is a canter. I get five minutes, the Mayor gets ten. This is outrageous. Going back on this point about the TfL becoming the Mayor's piggybank for other things in London. The investment in the Garden Bridge. We can walk on it so, therefore, it is clearly in some capacity a transport piece of infrastructure but I think most of us would question whether fare payers, who are under pressure with their fare rises, consider it to be reasonable that they should be expected to pay for something that is a bit optional as an extra.

Moving on again to fares: a 40% increase in fares over the Mayor's terms of office. Again we welcome the Mayor's concession that he is going to go away and look again at the pay as you go cap and the effect that this has on outer London travellers. It is a concern for many of our constituents.

Finally, on transparency, we are pleased at the progress with transparency. There is, however, some way to go. London & Partners, for example. We are going to grant them money over the next month, but they will not publish the business plan on which this is based until after the budget is effectively agreed, and so we are not able to understand what we are getting for the money. That is not adequate governance and we welcome the Mayor's movement on that.

Finally then, I shall thank my colleagues on the Committee. There is a lot more work to be done to make sure we are more transparent, more accountable and a better value for money authority but we have worked consensually and, although we are going to have the wham-bam of traditional politics now, can I thank my colleagues for the work they have done in the past year, which I think has added value to the way in which we do our job at City Hall. Thank you.

Roger Evans AM (Chairman): Thank you.