

London Assembly Budget and Performance Committee - 09 January 2024

Transcript of Agenda Item 3 – The 2024-25 GLA Group Budget

Panel 1 – Mayor of London

Neil Garratt AM (Chairman): That brings us to our main item of business this morning, which is a discussion focusing on the Greater London Authority (GLA) 2024/25 group budget for which we are joined by a panel of guests this morning. Welcome, everyone. We have Sadiq Khan, who is the Mayor of London. Morning, Sadiq. We have David Bellamy, who is the Mayor's Chief of Staff. Morning, David. We are also joined by Enver Enver, who is the Interim Chief Finance Officer for the GLA. Morning, Enver. Also Elliott Ball, who is the Assistant Director of Finance and Governance for the GLA. Morning, Elliott.

I will kick off, we have had a bit of news, our purpose here this morning is to look at what is going on in terms of the process of setting the budget, the first question is about what choices and pressures have been on the budget and what choices you have made to address those pressures. Sadiq, if you would like to give us your thoughts on that.

Sadiq Khan (Mayor of London): Thank you, Chair, can I begin by wishing all of you a very happy new year.

Neil Garratt AM (Chairman): Yes, of course, happy new year to you.

Sadiq Khan (Mayor of London): The challenge we have every year, and it is been no different this year, is frankly speaking, Chair, time has been a challenge. Just to remind colleagues, we are required to publish our draft consultation budget by 19 December [2023]. We got, in the days preceding that, the police settlement on the 14th [December 2023], the local government and fire settlement on the 18th [December 2023], and on the day we were due to publish, and did publish our draft constellation budget, the announcement from the Government about the Transport for London (TfL) capital grant. Those were the things we were grappling with. For example, if it was the case that we did not receive any - we received half in the end - what sort of things we would have to do. Those are the sorts of things taking place in the days and weeks preceding publication of the draft consultation budget.

You will appreciate, because of the date of publication, then Christmas and the New Year arriving, we have had little time to decide how monies are allocated. You alluded to the announcement today in relation to the extension by a further year of Universal Free School Meals (UFSM). Over the course of the coming days and weeks, in response to, I am sure, the consultation, at meetings with colleagues in City Hall, we will be deciding how the rest of any net money is allocated.

Neil Garratt AM (Chairman): OK. We have had a couple of announcements in the last few days, three really. We had news overnight of the non-domestic rates allocation or part of it, which is a net I believe of £228 million. We have had an announcement this morning about free school meals, which you have just mentioned. Also of course there was the announcement over the weekend about possibly £30 million for the National Union of Rail, Maritime and Transport Workers (RMT) to avert the strike action this week. In terms of the £30 million, was it £30 million? That is a figure in the press. I do not know if you can confirm to us that it was £30 million.

Sadiq Khan (Mayor of London): No, I do not want talk about figures in the press, but it is important that we allow discussions to take place, but we should not believe what is in the press.

Neil Garratt AM (Chairman): I definitely believe that the strike action has not happened, and I do not think RMT would have just abandoned that at the 11th hour for no reason. Therefore, the reports of extra money, I should not believe any of that?

Sadiq Khan (Mayor of London): That is quite clear, no, I have said in the first person there is extra money in relation to money from City Hall, as opposed to TfL. TfL are quite clear, and they were accurate in the conversations they had with all the trade unions, they simply had no more room to manoeuvre. Over the course of the weekend, bearing in mind the impact on our economy, just the hospitality sector, park all the other sectors, estimated a loss of £50 million. The timing was fortuitous because obviously we are in the budget setting process with 17 January [2024] as the date by which we have to publish the draft budget. Therefore I did say to colleagues, "We have monies in at this time of year, let us use some of that to see if we can suspend the strike action, call the strikes off, and work with all four trade unions to resolve this amicably".

Neil Garratt AM (Chairman): Therefore it is GLA money, not TfL money, that is the extra money that is into that equation?

Sadiq Khan (Mayor of London): Correct.

Neil Garratt AM (Chairman): How much GLA money?

Sadiq Khan (Mayor of London): I am not going to say that publicly, but the figure you said that is in the media is not a figure I would say is the figure.

Neil Garratt AM (Chairman): OK, not £30 million, but some other number, presumably a significant amount because RMT abandoned the strikes very, very late on, which would not have been an easy decision for them.

Sadiq Khan (Mayor of London): The important thing for RMT to know is that there is additional money that City Hall has given TfL to enable further discussions to take place.

Neil Garratt AM (Chairman): OK. Presumably you anticipate other unions asking for more money as well. Is there more money in the pot if anyone else comes forward?

Sadiq Khan (Mayor of London): It is a question of equity. You should ensure that all workers, if there is additional money, get that support. That will be part of the conversations that I had with the trade unions.

Neil Garratt AM (Chairman): It sounds like the bat signal has gone up from City Hall that, if you want more money, threaten to strike.

Sadiq Khan (Mayor of London): Let us be quite clear, in relation to the importance of ensuring that you talk to colleagues who may have concerns. I believe in talk and negotiations. I do not see it as a sign of weakness. I see it as a sign of recognising the fantastic work our transport workers do, represented by excellent trade unions, and I am keen to make sure we resolve things amicably.

Neil Garratt AM (Chairman): Sure, but it is not talking that has called off the strikes, it is extra money and obviously there will be further rounds of extra money, presumably. Because, apart from anything else, that is a

baseline for any future negotiation, is it not? That will be an increment from there next year or the year after or the year after.

David Bellamy (Mayor's Chief of Staff): Chair, this relates --

Neil Garratt AM (Chairman): I am sorry, David, but my question was to the Mayor.

Sadiq Khan (Mayor of London): There is precedence in the past where we have supported colleagues to avoid strike action and to resolve disputes. Over the course of the last year, the London Fire Brigade (LFB) were supported by City Hall. The GLA indeed was supported as a consequence of interventions I made. The Government themselves gave additional money through the Home Office to the Metropolitan Police Service (MPS), there is nothing new about recognising the importance of supporting negotiations reaching an amicable solution. I look across our city, listening to businesses and hospitality, speaking into patients who can now go to appointments at hospital, children going to school and college. The only people unhappy are the Tories about these strikes being called off, which is quite astonishing.

Neil Garratt AM (Chairman): OK, it is positive news that the strikes are not happening, but you will not confirm how much extra money has made that. Is it more than £30 million or less than £30 million?

Sadiq Khan (Mayor of London): I do not want to go into figures.

Neil Garratt AM (Chairman): You say it is not £30 million, but you will not say if it is higher or lower than £30 million.

Sadiq Khan (Mayor of London): I am not going into figures.

Neil Garratt AM (Chairman): OK. In terms of the consultation budget, which is obviously where we are now in this formal process, do you consult London Councils? Part of this is you setting your precept on to the council tax that they collect. What is your process of consulting with boroughs about what that would be and how much it would be?

Sadiq Khan (Mayor of London): I will bring in Enver and David to explain the conversations we had with them. You will appreciate, Chair, that we do not know the amount of monies that the councils collect until quite late on, but all 33 councils are spoken to and consulted. Enver and David can explain the process by which we do that.

David Bellamy (Mayor's Chief of Staff): Yes, morning Chair. We are here because the Mayor is consulting the Assembly on his consultation budget, just in the same way as that is a consultation to the Assembly, he also consults with the 33 local authorities in London and other groups as well. Therefore, yes, they are obviously very welcome to feed back their views in that consultation.

Neil Garratt AM (Chairman): OK. My final question is, when we go from here to the next stage, which is your final budget, what changes are you anticipating there might be between now and then?

Sadiq Khan (Mayor of London): It depends on the responses clearly to the consultation, as David just said, it is a consultation. The challenge we have, Chair, and this is one we have every year, and you are used to this as a Member of the Assembly, is the timelines. We published the draft budget on the 17th [December 2023] and then you will be aware of the publication of the final budget in February [2024]. Clearly, the sooner people put in their views and ideas, the sooner they can be taken on board with the draft budget but we take

on board representations made by, it could be colleagues in the Assembly, it could be London Councils, it could be members of the public, it could be businesses, and we will go through the process. I am afraid it is quite a short window, a narrow window, as you will appreciate. I know colleagues have expressed concern about that in the past and we will do what we can.

Neil Garratt AM (Chairman): OK, thank you very much. The next question is from Assembly Member Hirani.

Krupesh Hirani AM (Deputy Chair): Thank you, Chair. I am quite interested in the question around council tax and the council tax setting process as well, because obviously there is a question about whether you consult with other councils. But just looking the other way around, because have in the past, Mayor, you have called council tax a regressive tax. Councils across London are currently consulting on their budgets as well. If you look at several London boroughs such as Bexley, Bromley, Harrow, Hillingdon, they are all proposing a council tax rise of 4.99 per cent, which is obviously to the maximum threshold before you have to seek the public's permission to raise council tax by more. Have those councils spoken to the GLA before making their decisions as well? Because obviously the impact in the mayoral precept and the council tax increase impacts the same residents.

Sadiq Khan (Mayor of London): No, they do not but I do not criticise councils for having to go to the maximum they are allowed to go before they have a referendum. The Government expects - and for the last few years has expected - because they have shunted the cost to council taxpayers for providing essential public services. Therefore, that is where you are seeing across London, across the country, you will see councils going to the maximum they are allowed to do. The short answer to your question is they do not consult us but one of the advantages of us announcing our draft as early as we do is they are aware of our draft suggestion in relation to police precept, non-police precept, and the TfL precept. We should all recognise the huge pressures councils are under, of all political parties, over the last 14 years across the country.

Neil Garratt AM (Chairman): Thank you. We now move on to a section about TfL fares and financial sustainability with Assembly Member Pidgeon.

Caroline Pidgeon MBE AM: Thank you very much, Chair. I would just like to pick up from your opening questions about the additional money that has been found, which has stopped the strikes, which is really welcome. What I just want to clarify is, which fund has it come from at the GLA? I am not asking about the amount of money, you have made your position clear there, but where has it come from? Is it from the borrowing facility that you have for TfL? Has it come from a reserve? Could you clarify that please?

David Bellamy (Mayor's Chief of Staff): Assembly Member, it is going to come from the additional funds that are available as set out in the provisional settlement, the difference between the provisional settlement and the prudent assumptions we made in the Mayor's budget guidance.

Caroline Pidgeon MBE AM: It is coming out of the information we had last night, which you have also taken out the UFSM, yes?

David Bellamy (Mayor's Chief of Staff): Yes, that is right.

Caroline Pidgeon MBE AM: Yes, lovely, thank you. I just wanted to get that clarified for us. I wanted to ask you, Mr Mayor, about fares. I still cannot get my head around that March, rather than January, is when the new fare rises come in. I am wondering, can you talk us through when you think you will be making a final

decision around your fares for the next year, what you are considering as part of that, and whether you are looking at dynamic fair pricing, something we have talked about before?

Sadiq Khan (Mayor of London): Thanks for your question and thanks for you going back to the question the Chair asked about taking on board suggestions and consultation. You in the past have made some pretty good suggestions, which some have been taken on board and Londoners are benefiting from.

You are right, we now decide the fares much later than we did in the past by a number of weeks. Working backwards, Caroline, we have to make sure that any increase goes live the same day as the national increases, which is at a date in March; I forget the exact date in March. Working backwards, we have six weeks in advance of that to get the systems to go, therefore in the next few weeks I will be making the decision final. I have already had meetings with TfL in relation to the options that you alluded to. What is possible, you will appreciate from your long service, that in London we are able to use the pay-as-you-go to play around with the caps and so forth. Therefore, you will be hearing over the course of the next few weeks what I have decided to do in relation to that but also just to remind colleagues, the national fare increase has been announced as 4.9 per cent increase. Bus fares across the country have been frozen at £2. In London, our bus fares are £1.75 and we have the Hopper fare as well. Therefore, we already had the cheapest bus fares in the country. We can also, not just in relation to the metrics you talk about, we can also look at buses differently to Tube and so forth. Therefore, we have more options than previous years.

Caroline Pidgeon MBE AM: Is your working assumption the 4.9 per cent increase that we are seeing from National Rail and then you may flex it so that potentially the Tube could be slightly higher, but bus is lower?

Sadiq Khan (Mayor of London): The business plan we published, Caroline, had an assumption of 4 per cent, we published that a number of months ago as part of the funding agreement with the Government. That is the assumption. You will be aware where inflation has been, where inflation is, but also you will be aware in relation to - I say this in general terms - more poorer Londoners use buses versus Tube and so forth. Therefore, we are looking at everything but what I have done in the past is not try and have a one-size-fits-all approach in relation to fares. There is a separate conversation, which you have addressed in the past, about peak, off-peak, and so forth, what you can do. Those are also some things we are looking into.

Caroline Pidgeon MBE AM: Are you likely to bring some sort of dynamic fare pricing in this year or is that something that is longer term?

Sadiq Khan (Mayor of London): Those are some of the options TfL are looking into. I have not made a decision in relation to what is doable in the short period of time we have. You will be aware about travel patterns post-pandemic, roughly speaking, generalising, 90 per cent plus people back on the Underground Monday to Thursday, buses are now north of 5 million journeys again on a daily basis. Therefore, we are getting numbers back, but you are right to look into the question of times of day, parts of London, and so forth.

Caroline Pidgeon MBE AM: Good, we look forward to seeing that. I presume the decision will be this month if trying to work back from the date in March, therefore we should hear that from you in the next couple of weeks. Can I also ask you about TfL's financial sustainability?

Sadiq Khan (Mayor of London): Yes.

Caroline Pidgeon MBE AM: That was one of the conditions from Government. Government use a clear definition, but also their view of financial sustainability includes capital enhancements and renewals, which

seems to be slightly different to the definition that TfL has used. I am wondering whether you can confirm if TfL will be financially sustainable from the end of March?

Sadiq Khan (Mayor of London): News flash, Government moves the goal posts, is the obvious starting point in relation to this. Just to remind colleagues, Caroline, you will know this, but TfL's never been financially sustainable since it was set up in 2000. Since 2016, we have managed to reduce, year on year, like-for-like operating costs. We had a deficit of more than £700 million when I became Mayor. Each year it was going down and we were on target to going to surplus by 2021. Then the pandemic happened in March 2020. We are on course to be in surplus operating costs in the next couple of months. You will be aware also, in terms of capital cost enhancement/renewals, the budget was £1.9 billion and we asked the Government for a quarter of that, 25 per cent roughly speaking. They gave half of that, 12.5 per cent. The good news is, with the definition we have always used, but also with the Government definition, we should be financially sustainable in the near future.

Caroline Pidgeon MBE AM: OK. But looking at your capital plan and the budget, my understanding is there is a £71 million potential shortfall around enhancements and renewals. Do you think that you are going to be able to plug that gap? Are you confident of that?

David Bellamy (Mayor's Chief of Staff): Assembly Member, no, that is not a number I recognise. First question, is TfL operationally sustainable? Answer, yes, it is forecast to deliver £144 million operating surplus this year. That includes financing costs and that includes capital renewal costs. That operating surplus is forecast to grow across the course of the business plan up to £450 million surplus in 2026/27. This surplus is really important because what that is used for is to enable the investment in capital enhancements. What my understanding is of what Department for Transport (DFT) are saying is they are saying, "We understand you cannot pay entirely for major schemes like new trains, new signalling, major road schemes, and you need some help with that", and obviously we saw the capital funding settlement just before Christmas that the Mayor referred to earlier, "but otherwise you are on your own. Do not expect help from us." Therefore, that is exactly what this budget and TfL's business plan does, it delivers an operating surplus in order to fund capital enhancements. We might all like more capital enhancements in the network, but the business plan and the budget match up to the funding that is available in terms of what can be delivered. In that sense, absolutely it is sustainable.

Caroline Pidgeon MBE AM: Good. Therefore, you are confident you have a sustainable budget and you can provide a safe transport service for Londoners?

Sadiq Khan (Mayor of London): Yes, Caroline, but there is a really important caveat - and I think that is what David was alluding to - is our ambitions are less than they otherwise would be. This goes to the point I made at the last Mayor's Question Time (MQT) about we would like a capital budget more than £2 billion, but we have had to restrict that. That is our plan B. Plan A was bigger, but plan B is smaller, therefore safe, yes, but the example, which I know is personal to you, is for example major road junctions around cycle safety and so forth. We would want to do far more, far quicker, which we cannot do because of the limitations in relation to the capital budget as is, as opposed to as it should be.

Caroline Pidgeon MBE AM: Therefore, it is only sustainable because you are slowing down what you are able to deliver within the year.

Sadiq Khan (Mayor of London): Spot on, spot on.

Caroline Pidgeon MBE AM: Yes, lovely. Thank you, Chair.

Neil Garratt AM (Chairman): Thank you, Assembly Member Pidgeon. Just on that point, Mr Mayor, you said that the money, in answer to AM Pidgeon, for to avert the strike was from the business rates money, which we learned about on Monday evening. But the announcement was made on Sunday. Therefore, what was the timeline of that?

David Bellamy (Mayor's Chief of Staff): The timeline was obviously the provisional settlements were late on 18 December [2023]. Enver and Elliott and team spent that week working to understand them. We came back in the New Year and I was thus able to have an initial discussion with the Mayor about possibilities about how --

Neil Garratt AM (Chairman): Sorry, therefore the information that we were given yesterday as Members of this Committee about the business rates, you learned about that on 18 December [2023]?

David Bellamy (Mayor's Chief of Staff): No, the Government published the provisional settlements --

Neil Garratt AM (Chairman): I am sorry, it is just that we are very pressed for time and I do not want the brief history of the world.

David Bellamy (Mayor's Chief of Staff): Yes, that is fine, but I am trying to answer your question very directly. The Government published the provisional settlements on 18 December [2023]. Officers then had to analyse them. Then the Mayor was briefed about their contents on 3 January [2024].

Neil Garratt AM (Chairman): The word "business rates" did not appear in your answer to my question about business rates. Therefore, when did the Mayor know about the business rates?

David Bellamy (Mayor's Chief of Staff): Business rates is --

Neil Garratt AM: I do not know why he is not answering; he is sitting next to you.

David Bellamy (Mayor's Chief of Staff): -- is part of the provisional settlement.

Neil Garratt AM (Chairman): Therefore, the figure that we on this Committee learned about yesterday, the Mayor knew that when?

David Bellamy (Mayor's Chief of Staff): 3 January [2024].

Neil Garratt AM (Chairman): The announcement about the strikes was made on Sunday, therefore the information that he had, OK. What was the reason why we on this Committee did not learn about it until recently? Whose decision was that? Enver?

Enver Enver (Interim Chief Finance Officer, Greater London Authority): I wanted to give you a position that was for all of the changes of the settlements and the bit that we were struggling with was the police bit. Really, until we listened to them yesterday in that Committee in the afternoon, we were still wondering, "what is the adverse impact of the Government grant?" It is not business rates because that is a different source. Therefore, the Home Office grant was adverse, but the number kept changing as to how big the adverse variance was, therefore I wanted to make sure that what the Mayor's Office for Policing and Crime (MOPAC) said to you yesterday was consistent with what I was going to say to you as the total position, and

that was the number that was fluctuating. Therefore, we were almost there, but I needed to know the exact number, therefore we waited until what they announced yesterday to you.

Neil Garratt AM (Chairman): OK, therefore the short answer then is that you already knew about that money when you announced it and therefore when the announcement was made on Sunday, you already knew about that money. That makes sense. OK, Assembly Member Boff.

Andrew Boff AM: No, I think you already dealt with it.

Neil Garratt AM (Chairman): OK, in that case --

Andrew Boff AM: But I just want to clarify that figure that we talked about earlier.

Neil Garratt AM (Chairman): OK, I have you down as a supplementary.

Andrew Boff AM: Yes, sorry, I thought you had asked it. You have said to us that you will not tell us what the amount of money is that you have agreed with the RMT for settling the pay dispute, is that correct?

Sadiq Khan (Mayor of London): What I do not want to do is get into discussions about the negotiations with the RMT and how much money potentially is available, hypothetically speaking, in relation to RMT or other trade unions.

Andrew Boff AM: What is the figure that you have settled on to resolve the dispute?

Sadiq Khan (Mayor of London): There is no figure settled on because there is a discussion and negotiation and then you settle on a figure.

Andrew Boff AM: Right, and when will we know what that ultimate figure is?

Sadiq Khan (Mayor of London): When negotiations have ended.

Andrew Boff AM: Right. Have you budgeted for any future pay awards of a similar nature within your budget?

Sadiq Khan (Mayor of London): One of the things that is a really important point, one of the things in relation to things around wages is they are recurring and that is why it is really important to be cognisant of the dangers of using one-off potential payments to recruit staff on permanent contracts or as a pay award, and those are some of the calculations internally that need to be done before we come up with a figure that can be used for recurring costs, like, for example, a pay increase.

David Bellamy (Mayor's Chief of Staff): The other point, Assembly Member, is that this relates to the 2023/24 pay settlement and we know that 2023/24 is a genuinely exceptional year because of the really high levels of inflation. That is why, as the Mayor said earlier, he had to step in and provide extra funding for the LFB, City Hall, the Home Office had to step in around MPS pay, and therefore 2023/24, very much an exceptional year.

Andrew Boff AM: It is my experience that every year is an exceptional year but thank you.

Neil Garratt AM (Chairman): Yes, that is my experience. Of course, the thing about inflation is it compounds, therefore the point about one year having exceptionally high inflation does not detract from the point that I was making about one-offs versus continuous money. In any case, I cannot see any other indications on this topic, therefore we will move on to the next topic, which is the MPS budget. Yesterday they were here, I am sure you were tuned in, as was the whole nation, and we had a discussion about this annex 1 versus annex 2 business whereby they effectively provided us with two budgets, which I would interpret as the budget that you were willing to fund and another budget which they would quite like, which was about another £140 million extra. Therefore, I am not aware of any other part of the GLA doing this, this year or previous years, therefore from your point of view, Mr Mayor, was that a helpful thing for the MPS to do, to give you a sort of a base budget and then a wish list, or was that unhelpful? Would you welcome other bits of the GLA doing that?

Sadiq Khan (Mayor of London): For the purpose of transparency, they were keen, I suspect, for you and for everyone to see what the MPS submission was to MOPAC. To give the Commissioner credit, and I always like to do so, he wants to be transparent about what needs he has and the shortcomings there are in relation to funding. Therefore, those are conversations we would have internally anyway and therefore it gives you a chance to see some of the challenges there are. You are right to allude to the point that of course everybody, every functional body has a “wish list” which you can never fully realise. Therefore, you make the point that we could do the same for every functional body and Mayoral Development Corporations (MDC), but without wishing to get drawn into exceptional years, it may not be a bad thing in this particular circumstance for MOPAC to have done so. It is for you to decide whether it is helpful or not, really, rather than me.

Neil Garratt AM (Chairman): OK. Therefore the £140 million roughly that is the gap between those two, effectively what is agreed or what is provisionally agreed to be funded and what is currently unfunded, that largely amounts to accelerating and driving forward the MPS reform plan, which obviously is an important part of your political programme as well. Therefore, I guess it is on your wish list as well as theirs. Where does that £140 million sit in terms of getting some money?

Sadiq Khan (Mayor of London): One of the things that we have also sought to do with the Commissioner, and it is not a secret therefore I am not breaching confidences, is lobby the Government in relation to what we call National and International Capital City (NICC) grant money, which we know in 2016 figures was £159 million shortfall and when you take into account inflation is circa £240 million. Therefore, there is obviously an issue there in relation to our ability to lobby the Government for more support. There is a separate conversation in relation to being fully transparent about where there are gaps in our budget in relation to things like special grant, you will be aware, because it has been more rehearsed about the cost of protests since 7 October [2023], £21 million since that, on top of the £20 million for Just Stop Oil. Therefore, there is a discussion about special grant we are having with the Government as well. There is also a conversation in relation to inflationary pressures and on top of that growth. Therefore, you are right, one of my priorities is transforming the MPS, which is what some of the detail of the £140 million is about. We will try to do what we can over the course of the next few days and weeks to try to prioritise those things that we can afford to fund, and I am afraid some things that the Commissioner would like to do we simply will not be able to do.

Neil Garratt AM (Chairman): We spent quite a bit of time on this yesterday, I do not intend to spend so much time on it today, getting to the bottom of this annex 1 and annex 2 business, but the long and the short of it was that, if they do not get the extra money, then the reform programme in terms of 1,000 extra police staff and in terms of the *New Met for London* reform plan would have to be significantly decelerated, stretched out, other things deprioritised and so on. You talk about not having the money, obviously you could have had the money, but you chose to spend it on something else. Therefore, how do you weigh up in your mind £140

million to drive forward the MPS reform plan versus a very similar amount of money you have announced today for UFSM, how do you weigh those up in your mind?

Sadiq Khan (Mayor of London): We know that the Government has taken back the money we would have received with the police uplift. One of the conversations the Commissioner and his team have had with the Home Office is to try and use some of that money to employ civilian staff, which allows more officers to be frontline officers, bobbies on the beat, rather than doing “paperwork” in the office and other stuff that can be done by civilians. Therefore, those conversations are taking place with the Home Office in relation to more civilian staff. I have been quite clear in relation to where I can prioritise in the police service therefore, I am incredibly proud in relation to money that I have got, increasing by more than 80 per cent money City Hall gives to the MPS since 2016, including, by the way, using business rates money, which is one of the sources of money for the UFSM. Therefore, we do what we can to support both ensuring our city is safe but also addressing the cost-of-living crisis.

Neil Garratt AM (Chairman): The MPS are saying that they need an extra £140 million to do the reform and the work that they want to do and obviously you are going to blame the Government. I do not particularly criticise you for that; that is your stated position on everything. You made a decision yesterday or today, of very nearly £140 million for UFSM. That was money that you could have allocated at will to anything at all that was within your power. You chose to allocate it to that. You chose not to allocate it to the MPS to do the things that you have just described that you would like to do. Therefore how, in your mind, do you weigh up doing one of those versus the other, because you could have done either.

Sadiq Khan (Mayor of London): Yes and no. Go back to an issue I raised with Assembly Member Boff about recurring costs. In February I announced £53.2 million of recurring money to the MPS, additional money to the MPS, a lot of that £53 million recurring is around transformation, the leadership academy and so forth. In fact, we are now funding 24 per cent of the MPS, it was 18 per cent when I first became Mayor, therefore we do what we can with the recurring money. One of the consequences of using one-off money or money that is only for three years is you have to find the money elsewhere. Therefore, we now have to find, over the course of the next two years, money to replace the business rates money used for some of the 1,300 more officers. Therefore, when it comes to prioritising, we know, for example, that the announcement of UFSM last year was for one year because I could afford to fund it for one year, we are not employing people like police officers. Similarly, this year, I can confidently say I have money for another year for UFSM. If I was to employ civilian staff using potentially one-off money you would be the first to criticise me, rightly so next year, by the way, rightly so, if I was having to make redundancies next year.

Neil Garratt AM (Chairman): I appreciate the assumption that Labour will not remove me from office. I will be back here next year. OK, the serious point is this: you are using that money for the recurring cost of the wages over at TfL, but you are saying you could not use it for the recurring cost of police?

Sadiq Khan (Mayor of London): That is not right, though, is it? Because the numbers we are talking about and we talked about yesterday are different from the numbers we are talking about in relation to the conversation we are having with transport workers. We already are supporting the police hugely in terms of employment of staff, police officers, [Police] Community Support Officers (PCSOs), but also the costs the police have. There is no money from the Government, for example, for capital costs for the MPS, therefore already we are contributing --

Neil Garratt AM (Chairman): Should I infer then from what you have just said that any money that might be coming to the RMT or any other rail union in terms of the strike, that would be one-off money, not recurring money?

Sadiq Khan (Mayor of London): No, that is not what I said.

Neil Garratt AM (Chairman): I am trying to get to the bottom of what you are saying because you are saying contradictory things. You are saying you cannot use the money, the £223 million net business rates that came in to us this week, to you last week. You are saying you cannot use that money to fund the MPS because it would be one-off money, not recurring. You are saying that you can use it to fund wage increases at TfL but both of those would be recurring, would they not?

Sadiq Khan (Mayor of London): The figure you were talking about with Enver was a figure of £140 million in relation to the gap, which is the gap we cannot fill with the money that we have. Therefore, it is prioritising the money we have in relation to expenses we have. You then raised a separate issue in relation to UFSM and gave that as the choice that I made as opposed to police officers. You have now moved on in relation to the cost of keeping transport running in --

Neil Garratt AM (Chairman): I have not moved on. I am on the same point. You are saying you cannot use this £200 million-odd that you have received from business rates to fund police because it will be a reoccurring cost, but you are saying you can use it, in fact you have used it, some amount of it which you will not disclose, for RMT. That would be a recurring cost, would it not?

Sadiq Khan (Mayor of London): Some will be, yes. If it is for wages it will be recurring.

Neil Garratt AM (Chairman): Therefore, you can use it for recurring costs, but you are saying you cannot spend it on the MPS because it will be a recurring cost.

Sadiq Khan (Mayor of London): We already are spending, we already are supporting the MPS north of 24 per cent in relation to funding. What you are asking --

Neil Garratt AM (Chairman): You could have supported another £140 million and you are saying you cannot because it is recurring, but you can give recurring money to TfL.

David Bellamy (Mayor's Chief of Staff): No, sorry, Chair, can I help? This is difficult because we are here to talk about the consultation budget and now we are talking about things since it [was published], therefore you have not seen detail. The point about the £140 million for UFSM is, yes, it originally comes from business rates, but you have not seen the precise way that the allocation works, which obviously we will set out in the draft budget. A good chunk of that £140 million is going to come from reserves, which is previous year's business rates. That, as such, does not recur. Therefore, what we have is we have a couple of things going on here, we have some money that is in reserves that has come from business rates in the past and we have the new business rates allocations that we have recently learned about, which are for 2024/25. Therefore, this then becomes a complicated situation and therefore when we publish the draft budget on Wednesday next week we will set all that out.

Neil Garratt AM (Chairman): OK, therefore which of those pots you just described is the RMT money coming from?

David Bellamy (Mayor's Chief of Staff): Firstly, we should not describe it as RMT money because it is for negotiations with all four unions. It will come from the additional business rates that we are now expecting to receive above what was in the consultation budget.

Neil Garratt AM (Chairman): That is the new money that the Mayor has said could not be used for recurring expenses.

David Bellamy (Mayor's Chief of Staff): I did not hear him say that. We started answering about the £140 million, which I have said a good chunk of that cannot be used for recurring expenses.

Neil Garratt AM (Chairman): A good chunk of it, just the bit that he wants. OK, I feel I have delved enough. Assembly Member Pidgeon, you have some questions on this?

Caroline Pidgeon MBE AM: Yes, thank you very much. You may have heard or seen some of our discussion yesterday about the MPS's estate and back in July last year, Mr Mayor, you intervened and announced you were saving Uxbridge Police Station. I am wondering, can you similarly give a commitment today in your budget that you will save Wimbledon Police Station?

Sadiq Khan (Mayor of London): I am frustrated by the delay in the Estate's Strategy review being completed, but I understand the reasons for the delay. What I do not want to do is cut across what the Commissioner is trying to do in relation to getting the size of the estate that fits with the size of the police service we will have in a few months' time and in the long term as well. Therefore, what I would prefer to do is let the Commissioner announce his estates strategy review when he is ready to do so. I am pushing him to go as soon as he can, but for reasons that I fully understand it is taking him longer than anticipated.

Caroline Pidgeon MBE AM: I appreciate that, but last year you felt able to cut across the Commissioner's review to save Uxbridge Police Station, therefore I am specifically asking you, given that they want a judicial review against your decision to close it, will you commit to saving Wimbledon Police Station as well as Teddington Police Station for community use?

Sadiq Khan (Mayor of London): I think what you are alluding to is representations I made to the Commissioner about some police buildings in some parts of the city. It is right for the Commissioner to be given the time to publish his Estate Strategy review and I am seeing him tomorrow. I will remind him of the representations you just made in relation to both those police stations and buildings and the strength of feeling there is in those communities.

Caroline Pidgeon MBE AM: OK, thank you. I also just wanted to flag with you, you will be aware that the MPS Commissioner chose not to attend our Budget Committee meeting yesterday, did not field any other senior officer who could deal with any operational policing questions. Does this concern you, will you be picking this up with him when you meet with him next?

Sadiq Khan (Mayor of London): I thought there was a senior member yesterday.

Caroline Pidgeon MBE AM: No senior police officer.

David Bellamy (Mayor's Chief of Staff): No, there was not a police officer, but since the MPS restructured and if you go back to when Craig Mackay [former Deputy Commissioner, Metropolitan Police Service] was Deputy Commissioner, he had oversight of these things, since then the MPS has restructured and it has been a senior civilian who has led on financial matters for the Management Board. Therefore, that is why Clare Davies [OBE, Chief People and Resources Officer, Metropolitan Police Service] attended.

Caroline Pidgeon MBE AM: OK. I am just wondering whether you are concerned about that, Mr Mayor, and whether you will make representations to the Commissioner.

Sadiq Khan (Mayor of London): No, I have no concerns about Clare, she is an expert in this area, that is her responsibility.

Caroline Pidgeon MBE AM: OK. I will leave it there, thank you, Chair.

Neil Garratt AM (Chairman): Thank you. I would, just to add to that, I make the observation that the LFB Commissioner and the TfL Commissioner and the Chief Execs of the two MDCs all did come along, and we noted with disappointment that no senior police officer did. Nevertheless, we move on now to a section on climate budgeting, Assembly Member Russell.

Caroline Russell AM: Thank you very much, Chair. We heard that, in a very exemplary piece of candour, that the scope 3 emissions plans are not being brought forward because you want to really get on top of the scope 1 and scope 2 plans properly. Therefore, now, in the climate budget, there are Excel tables showing funded and unfunded level 1, which I am assuming is scope 1 plans, and funded level 2 plans, but there are no level 2 unfunded plans, which suggests that there is not so much of a pipeline for the scope 2 emissions plans. Therefore, when can we expect to see these and, given that your new carbon budget targets are for 2030, how are they going to impact level 3 targets?

Sadiq Khan (Mayor of London): Caroline, firstly, thank you for your support in this area of our work. Can I just explain that the reason why it is not quite right in relation to scope 3, the reasons why you will not see more detail next year, we have seen what Oslo did, who are the leaders in this, and former Mayor [of Oslo], Raymond Johansen, his legacy will be carbon budgeting. But they took seven years to get to scope 3. We have got to scope 2 in two years. Therefore, that is the reason why we are refining --

Caroline Russell AM: No, we totally get that and that is why I have said I appreciated the candour. It is important but it is still important that you keep the ambition with the work that you are doing in this area. Therefore, that is why I was asking about the apparent lack of a future pipeline on scope 2.

Sadiq Khan (Mayor of London): Colleagues in the GLA are speaking to members of the London family, local authorities, museums, and others, in relation to potential things they could be doing that currently may be unplanned, unfunded, and there are other schemes available for financing, not just City Hall. Therefore, the Government, for example, has pots of money that can be used as well. Often our money will help them get a case ready. I am not over the details in relation to potential pipeline in relation to scope 2 unfunded. I can come back to you and drop you a note in relation to what work we have done but just to reassure you, there are regular conversations City Hall is now leading on with colleagues across the city, not just councils, but other members of the public sector.

Caroline Russell AM: Can you just say, are you concerned that again the fact that we do not seem to have the unfunded level 2 plans being demonstrated, are you concerned at all that could impact your ability to tackle scope 3 emissions? Also, are you at all concerned about the risk that pushing scope 3 more to the future, that decisions could be made around scope 1 and scope 2 emissions that might worsen scope 3 emissions? Do you have measures in place to prevent that?

Sadiq Khan (Mayor of London): I am not sure I can answer that. What I can say is we are not not working on potential scope 3 issues because it is not down in the carbon budget but maybe Enver can explain the conversations we have had with other parts of the London family in relation to this work.

Enver Enver (Interim Chief Finance Officer, Greater London Authority): Thank you, Mr Mayor. You thanked me for my candour last time and I will continue on that line. One of the reasons for not including scope 3 is because it is in the too-hard category and one of the reasons for saying it is too hard is we said we want to bed down scope 2. The environment team struggled this year to be able to do the unfunded bit of scope 2, therefore one of the urgent priority pieces of work for us, before thinking about embedding scope 3, is to get scope 2 right. Although I cannot give you an exact time because I am not the expert on the unfunded element of scope 2, my team will help cost it, but the list needs to be drawn up. Therefore, that pipeline sort of exists in draft, but not in a state that I would be happy to publish. Therefore, that is the work that we would be doing, hopefully, so that either next year, or at latest the year after, we would then hopefully be able to put some estimates against scope 2. That is what I call embedding scope 2.

It does not mean, if we are not doing climate budgeting, that the work is not happening in terms of prioritisation though. The environment team, who are the experts in this, would already be working on scope 3 impacts and scope 2 impacts. It is just, if you think of this as a total budget document, I would like there to be a level of accuracy before it gets incorporated and published. We are working with other cities, just so you are aware, in terms of how we cost it and how we build that unfunded bit of scope 2 in that family that we have created across the world of 13 cities plus Oslo, we are hoping that we will get some cooperation through the new toolkit and hopefully we can move forward to publishing scope 2.

Sadiq Khan (Mayor of London): Just to reassure you, Caroline, the whole circular economy is about scope 3, therefore we are doing work around circular economy, working with colleagues about how we can make sure we address the issues of scope 3 even though it is not in the carbon budget.

Caroline Russell AM: OK, thank you. What about the fact that MOPAC has not provided any funded scope 2 plans and are you worried about that and are you expecting to publish them sometime soon?

Sadiq Khan (Mayor of London): This may be linked with Caroline Pidgeon's question about the estate strategy and the work taking place there. I expect that you will have far more in relation to that this time next year, in relation to the work that would be done during the course of the year but in relation to that piece of work, it may be a question of, if an estate is going to be sold off, question mark, the work required from the GLA and MOPAC. There definitely will be progress made over the course of the next period.

Caroline Russell AM: OK, thank you. Now, it was announced last week that the Green Finance Fund (GFF) has secured £190 million in funding from the UK Infrastructure Bank (UKIB), therefore this is the GFF you were sort of hoping to get that to £500 million. Therefore, how confident are you that you are going to get the other £310 million for the GFF and is there anything else you can share about that?

Sadiq Khan (Mayor of London): It is good news in relation to the partial funding of the £500 million. Again, maybe David and Enver may want to explain optimism, by optimism without the bias, in relation to the rest of the money, in relation to optimism to get there.

David Bellamy (Mayor's Chief of Staff): Thank you. Obviously one of the points about this facility full stop is that we want to offer competitive interest rates to encourage people to use the facility and make the investments and deliver the carbon reductions. That is what is so good about UKIB because that funding is cheaper than Public Works Loan Board (PWLb). As you will remember, Assembly Member, that was always our test around originally we were looking to do a green bond, when we reached the point that the cash flows were such that we need to bring in the external funding to pass through, then, if the green bond is the cheapest thing to do, then we would do that, otherwise we would use PWLB. But the fact that we secured such a high

proportion of the £500 million at sub-PWLB rates does enable us to offer some discount in our interest rates to schemes, therefore that on its own puts us in a really good place.

Caroline Russell AM: What about getting the other £310 million, do you have a sense that is coming?

David Bellamy (Mayor's Chief of Staff): As I said, we could borrow it within days from the PWLB if we needed to.

Caroline Russell AM: I see what you mean, yes.

David Bellamy (Mayor's Chief of Staff): As it is for now, we can manage through the GLA's cash flow, given that we only pass the money out as the people receiving it spend it. But, yes, when we reach that point that we cannot do that, we will use PWLB unless there is a better alternative between now and then.

Caroline Russell AM: Therefore, does that mean you can lend out the whole £500 million?

David Bellamy (Mayor's Chief of Staff): Yes, we are absolutely able to do that. The reality is that some of these schemes that we will be lending to are big multiyear schemes, therefore we will only need to give them the cash as they spend it through the course of each project. Therefore, it is not like we need £500 million to pass out today. But the point is ensuring that we have the money available to do that and we have got the money from the UKIB, we have got the GLA's cash flow, and then we will follow up either PWLB, green bond, or some other approach, whatever is financially the best option.

Sadiq Khan (Mayor of London): It goes back to an issue you raised a few minutes ago, Caroline, it is about having the projects and schemes rather than the finance at this stage.

Caroline Russell AM: OK. Therefore, at the moment, there are not enough schemes to bid for that money, are you saying?

Sadiq Khan (Mayor of London): We have criteria and there is a separate board that decides the criteria. The good news about this portion of the £500 million, the £190 million, is that it is more favourable. It is a question of the people coming forward, satisfying the criteria, us lending them the money, which is a loan, for them to maybe apply for other pots of money on the private sector market or themselves having the money, but that money is there and we are letting people know the money is there. The colleagues Enver referred to in the environment team are working with colleagues across London about making submissions, making bids.

Caroline Russell AM: Just in terms of getting this money out the door and being used to help you meet the very strong targets you have for 2030, are there any other things that need to be in place for you to feel that pipeline is strong and that it is possible to spend that money?

David Bellamy (Mayor's Chief of Staff): We have a process, Assembly Member, it is working well. We have just had the close of expressions of interest for the latest round, therefore officers will obviously do some initial work and then in a couple of weeks I expect to hear more about that, and we will review where those expressions of interest are likely to lead us and whether there is any more we need to do. With a combination of the work that we are doing within the group, as set out in the climate budget, the situation with the UKIB and the fact that means we are able to make a positive offer to external partners, and those discussions that are ongoing. I personally think we are in a pretty good place but we will see what this round of expressions of interest brings.

Caroline Russell AM: OK. Therefore, just a final question, when will we learn about this?

David Bellamy (Mayor's Chief of Staff): Enver, is that one more for you?

Enver Enver (Interim Chief Finance Officer, Greater London Authority): I was given some figures yesterday hot off the press. I cannot share them yet because they have gone through no analysis at all. But there has been six bids in the latest round, which is in addition to the bids we had before in the last round in the autumn. Therefore, some of those are still working their way through the pipeline. As I explained before, £185 million has already been allocated, then there is going to be the next batch from the ones that came in autumn, and then before those have been exhausted we have these ones that have just come in that need to go through the due diligence as well.

Caroline Russell AM: Great, thank you very much, that is very encouraging.

Neil Garratt AM (Chairman): OK, thank you. I have a very quick - he assures me - question from Andrew Boff.

Andrew Boff AM: Extremely quick- You are committed to incorporating scope 3 emissions in our climate targets, is that correct?

Sadiq Khan (Mayor of London): In the budget or the target?

Andrew Boff AM: Within your plans for the future.

Sadiq Khan (Mayor of London): Our target is to get to zero emissions by 2030.

Andrew Boff AM: That will include scope 3 emissions?

Sadiq Khan (Mayor of London): Yes.

Andrew Boff AM: Included in those scope 3 emissions, do you not think signing the Plant Based Treaty might be a good idea as well if by definition it is an emission, it is a scope 3 aim?

Sadiq Khan (Mayor of London): I am happy to have colleagues go and look into your suggestion of that.

Andrew Boff AM: It would be nice if they answered my question, which I asked some months ago and have not received reply for.

Sadiq Khan (Mayor of London): I will chase that up, Andrew.

Andrew Boff AM: Thank you.

Neil Garratt AM (Chairman): Plants do move slowly, Andrew. Next section is housing, which is Assembly Member Clarke.

Anne Clarke AM: Thank you so much. Happy new year to you all and what a great start to the year it is with the excellent news of the UFSM programme being extended. Coming on to housing, the Government has failed to meet their own targets around affordable homes under the Affordable Housing Programme (AHP), but conversely you have met yours and you have started more than 116,000 homes, new affordable homes

across London, which is excellent news. How will you ensure that £695 million you have allocated in the 2024/25 budget will be used successfully?

Sadiq Khan (Mayor of London): Firstly, the other good news in relation to the homes we have begun is almost 60 per cent are completed, which is great news. Obviously, it will take some time for permission being granted and the homes being started and the homes being completed. Therefore, we have had a challenging year in relation to getting agreement from the Department for Levelling Up, Housing and Communities (DLUHC) in relation to a number of issues. The initial window was 2021-26. That was delayed, therefore it is now 2023-26. We agreed with the Government 23,900, roughly speaking, starts over those three years. But there are a number of uncertainties this year. You are well aware of the 18 metres issue with second staircases, there are all sorts of macroeconomic issues in relation to interest rates and inflation and so forth. Sales are the lowest they have been since 2010. Starts are the lowest they have been for some years as well. Therefore, this year is going to be very, very difficult but we are doing what we can working with colleagues, the private sector, housing associations, councils, and so forth. The more flexibility the Government gives, the easier it is in relation to getting starts off the ground. But it is going to be tough and therefore we are speaking with Government about what additional funding they can give to support - at a time when it is a potential opportunity by being countercyclical - more affordable homes, because we know the challenges in the private sector market. It is an opportunity with the right support from Government. I know Tom Copley [Deputy Mayor for Housing and Residential Development] met yesterday with the relevant Minister in the Government to discuss some of these issues.

Anne Clarke AM: Thank you for that.

Neil Garratt AM (Chairman): Assembly Member Boff.

Andrew Boff AM: How many new homes will you not be building as a result of your Council Homes Acquisition Programme (CHAP)?

Sadiq Khan (Mayor of London): The CHAP scheme is a scheme that takes place across the country and what the Government has agreed with colleagues across the country, including London, is up to 30 per cent per year can be homes acquired by councils, new build. If they are second hand it is up to 10 per cent per year. That has been taking place even before I was Mayor. That is the cap. You obviously cannot go above that. It all depends on availability of homes for councils to purchase.

Andrew Boff AM: Therefore, how many new homes does that equate to? New homes for people who are living in overcrowded positions, overcrowded conditions, new homes for people in housing need, new homes for people who possibly do not qualify for social homes, how many new homes will you not be building as a result of that allocation?

Sadiq Khan (Mayor of London): I am not sure how to say this in a respectful way. In a consolidation draft budget, I would have those figures. I am more than happy to ask the Deputy Mayor to correspond to you in relation to those sorts of numbers.

Andrew Boff AM: What is the total amount you have allocated to the CHAP?

Sadiq Khan (Mayor of London): As I explained, it is demand led, but it is up to a maximum of 30 per cent of new and up to a maximum of 10 per cent second hand.

Andrew Boff AM: What does that equate to in numbers, in figures, in pounds?

Sadiq Khan (Mayor of London): In terms of units of housing, which is what I have at the fore of my mind rather than figures in pounds, it is 23,900 divided by 3, then 30 per cent of that per year or 10 per cent of that per year.

Andrew Boff AM: But you absolutely recognise that by spending your time acquiring former council homes you are not providing new homes?

Sadiq Khan (Mayor of London): It is a Government initiative, not a City Hall initiative, but --

Andrew Boff AM: I do not think they made you do it, did they?

Sadiq Khan (Mayor of London): But it is a lot quicker, therefore it means that family that you are concerned about, as indeed I am, are not waiting for years for a home to be completed because a home that has been built by the private sector, for example, that cannot be sold, has been acquired, which means a family can live in it rather than it being empty.

Andrew Boff AM: Do not you accept that the problem with London is that we do not have sufficient stock of housing and that the priority should be to increase that stock rather than just moving deck chairs around?

Sadiq Khan (Mayor of London): Which is one of the reasons why the Housing Task Force chaired by Tom Copley did a piece of work for the Government that set out the cost of increasing supply commensurate with the demand for our city. We receive a sixth of the money needed to increase supply to meet the demand and it is incredibly important we address those issues of increase in supply. The whole point, according to the Government, which I agree, of having the CHAP scheme is it speeds up the ability of that family in the council housing waiting list, the family in temporary accommodation (TA), move into a home that is sitting empty, rather than waiting for a number of years for a home to be built or combination of both.

Andrew Boff AM: Will you therefore, Mr Mayor, prioritise, if you are going to proceed with the CHAP, that you only purchase family-sized homes?

Sadiq Khan (Mayor of London): A significant proportion are family-sized homes, but also you have people living in overcrowded accommodation as adults, 30-plus, who need one or two-bedroom homes as well. We need homes of all sizes for our city, including in particular family-size homes as well.

Andrew Boff AM: 360,000 young people are being brought up in overcrowded conditions in this city. Do you not think their needs are greater?

Sadiq Khan (Mayor of London): I would hope you would make that point forcefully to Michael Gove [MP for Surrey Heath and Secretary of State for Levelling Up, Housing and Communities] and the Government.

Andrew Boff AM: I have done repeatedly. Thank you, Mr Mayor.

Neil Garratt AM (Chairman): Thank you. Assembly Member Hirani.

Krupesh Hirani AM (Deputy Chair): On a serious note, I did meet officials from Harrow Council recently and, looking at their budgets, they told me, which was published in the draft bill, there was a £19 million gap in them meeting their financial needs. They told me the two biggest areas that they were concerned about was an adult social care overspend and the TA bill. Therefore, how important is it that you have homes

available immediately through CHAP so that can ease the pressure off councils locally as well? Also, what discussions are taking place with local councils in terms of TA at the moment, and how does it compare to previous years in terms of the numbers and figures for TA locally?

Sadiq Khan (Mayor of London): You are well aware of the consequences of the housing crisis and the impact also on, not just families, but on our budgets. Therefore, it is really important to recognise that the sooner we can get homes that can be used by families, the sooner those families are ameliorated of their distress caused by overcrowding and other issues, quality of housing and so forth. Also we can be reducing the bill the councils face in relation to TA. A few minutes ago I complimented the Government on the CHAP scheme and I am surprised that colleagues in the Assembly want to slow down the provision of homes for families in London. It is possible to have CHAP and at the same time increase the supply of new homes. There is a huge opportunity for the reasons I have said in answer to Anne Clarke's question because of the macroeconomics, private developers are not able to complete and sell those homes. That is an opportunity for the state to step in and to be building more council homes.

Neil Garratt AM (Chairman): Thank you. That, only two minutes over our time, brings to an end, very nearly an end, of our questions for the first phase of our meeting this morning. I just have one final question, if I may sneak it in. The consultation on your consultation budget ends tomorrow, therefore this Committee, we had significant meetings yesterday with LFB and the MPS, with you this morning and also shortly a panel of experts. Obviously, it is a very tight deadline for us to get all of our recommendations and things to you by tomorrow. Is it possible for you to consider response from the Committee if it is received after that date?

Sadiq Khan (Mayor of London): I am sure it would be. David?

David Bellamy (Mayor's Chief of Staff): Yes, we can do that. As we have said, responses to the consultation process, because of the timeline, have to be considered for the final draft budget, not the draft budget, therefore you will not see whatever steps are taken until the final draft on 14 February [2024], but we are happy to do that.

Neil Garratt AM (Chairman): OK, thank you very much. On that high point, thank you very much, gentlemen, this morning. I can thank our first panel for this morning's meeting for attending and answering our questions. We will now have a short adjournment while our second panel, the reconvened panel of our external experts, finds their way into the Chamber. Thank you, everyone.

[The Chairman adjourned the meeting at 11.02am and resumed the meeting at 11.12am.]