

Budget and Performance Committee – 14 January 2014

Transcript of Item 3: GLA Group Budget

John Biggs AM (Chairman): We will move on to the main item, which is to welcome the Mayor of London with his trusty assistants, Sir Edward Lister [Chief of Staff and Deputy Mayor for Planning, GLA], Martin Clarke [Executive Director - Resources, GLA] and David Gallie [Assistant Director - Group Finance, GLA].

Could you introduce your budget very briefly and tell us what role you played in the budget-setting process?

Boris Johnson (Mayor of London): Thank you for having us in today to your Committee meeting and I hope that your Committee and the Assembly generally will agree that this is an excellent budget. I want to thank very much the officers who have helped us to produce it.

Some salient points to go over quickly. Obviously, it is very important that in tough times we should consider to bear down on Council Tax and, as a result of this budget, we will be on course for a 10% reduction in the precept in nominal terms on top of the 24% real-term reduction in our share of Council Tax since 2008. We continue to deliver very substantial savings and efficiencies across the Greater London Authority (GLA) and £349 million in new savings efficiencies are being made in 2014/15.

One of the most interesting things that you are seeing in the budget at the moment is the very great increase in the capital spending that we are securing for London and the percentage of capital spending that now makes up the budget. It is about £1.1 billion higher than in 2013/14, a 20% increase of capital spending. That is across all sorts of programmes, as I am sure Members of this Committee know: with housing, the Metropolitan Police Service change programme, investment in transport infrastructure, Crossrail and the Northern line extension (NLE) starting to come on stream.

These investments are helping us to continue to deliver very, very substantial improvements in infrastructure in London and in the quality of life in London. We are going to go on to support the creation of, as I said before, 200,000 new jobs. We are on track to deliver another 45,000 low-cost affordable homes. We are on track to do 250,000 apprenticeships. We want to keep the police establishment at or around 32,000 and maintain the targets for fire engines getting to the emergencies and getting to the fires. We have already reduced Tube delays by 40% and we are on target with these investments to continue to reduce them by 30% by 2015 on 2011 figures. We are also continuing to reduce, by investing in roads and by investing in transport, the numbers of people seriously injured by 40% by 2020.

You will have seen what we are doing with the 24-hour Tube. That is going to be a fantastic improvement for London. I am very grateful to London Underground (LU) and to everybody who works on our Underground system for their imagination in bringing forward that programme, which many of us were told was not deliverable. Crossrail is on time and on budget. The NLE is blasting ahead. The new bus is all over the streets and more and more of them are coming.

One thing that is very exciting indeed is the distance London is now putting between us and other Olympic cities in delivering a real physical legacy from the 2012 Games on the Stratford site. It is quite remarkable what is happening there. I know you are going to want to interrogate me more about the London Legacy Development Corporation (LLDC) budget later, but I do think some amazing things are starting to happen there.

That is probably all I need to say. It is an excellent budget and I commend it to the Assembly.

John Biggs AM (Chairman): The structure of this meeting is we are going to ask you some questions about the police service, fire, housing and land, transport and then also a bit about your vision for the future.

Before we do that, a slight problem we have is that a lot of things happen within this building, City Hall, that are not part of the bigger functional bodies like Transport for London (TfL) and we have no notice of the prioritisation of resources for those, which is a bit of an omission given that we are meant to be examining your budget. You talk about jobs, but we do not know what you are prioritising to help facilitate job creation in London. We want to express our collective grumpiness about the lack of information about this because it thwarts our democratic purpose.

Boris Johnson (Mayor of London): I am aware, John, through you, of your general grumpiness. Not your general grumpiness, I am aware of your grumpiness on that particular point.

John Biggs AM (Chairman): And generally!

Boris Johnson (Mayor of London): On the prioritisation, we are going to make sure that you have a clearer picture of the priorities, by later this week is the intention. It should be pretty obvious from everything I say, from the 2020 Vision and from the stuff that I talked about where we think that job creation is going to come from. I have mentioned some of the big transport schemes. I have mentioned the housing schemes. These are big, big generators of jobs and growth and those would be the first places to look.

John Biggs AM (Chairman): Corporately as an Assembly we could do with a bit more grovelling from you because you have failed to meet your objectives.

Boris Johnson (Mayor of London): On the contrary.

John Biggs AM (Chairman): We are going to move on to the main questions in a second, but we have one or two follow-ups.

Richard Tracey AM: Mr Mayor, you mentioned in your opening remarks your aim to reduce the precept by 10% over these four years. Last year you managed 1.2%. This year you are talking about 1.3%. It strikes me that that puts you behind schedule if you are really seriously going to hit 10%. Are you concerned about that?

Boris Johnson (Mayor of London): No, I am sure that we are well on target. May I just remind you, Richard, of something of which I am sure you need no reminding. This contrasts starkly with the performance of the previous regime against which you inveighed so trenchantly for so many years and under which the precept rose by 152% up to 2008, an increase in real terms of 126.5%. That contrasts very starkly with what we have already achieved and what we will continue to achieve.

Richard Tracey AM: Yes, of course I am only too well aware of the past.

Boris Johnson (Mayor of London): It is important.

Richard Tracey AM: Frankly, it seems to me that on the present programme you are going to need to reduce the precept by far more in the next two years. It may be a bit hard for you to reach 10%.

Boris Johnson (Mayor of London): No, we do not think that is necessary, Richard. My brilliant budget-setters are confident that we are on target.

Richard Tracey AM: A good many colleagues in local government across London would like to see you reduce a bit more even this year, I think. The man sitting on your right, Edward Lister [Chief of Staff and Deputy Mayor for Planning, GLA], has a great record for reducing Council Tax in his previous job. What about it?

Boris Johnson (Mayor of London): He does. As I say, unlike the previous regime, we have cut Council Tax by 24% in real terms already and we are on track to cut it by 10% in nominal terms. I am surprised to hear you, my old friend, Richard, adopting this slightly --

Richard Tracey AM: It is chasing targets, Mr Mayor.

Boris Johnson (Mayor of London): It is also important to deliver vital services for London and to deliver efficiencies. To those boroughs that ask us to do more, I would simply say, "*Tu quoque*" ["You too"]. I hear what you say, Richard, but it is up to them to do it, too. That is what that means.

John Biggs AM (Chairman): We could do with slightly less friendly questioning, not that we want to be antagonistic, but we are meant to tease things out of --

Boris Johnson (Mayor of London): That was not a friendly question. That was an unusually hostile question from Richard.

John Biggs AM (Chairman): From Mr Tracey it probably was, actually, but the record will show that it is not just about Council Tax. There are needs for services and the fares increases, which we will examine later, are a very substantial burden on Londoners.

Stephen Knight AM (Deputy Chair): The point of your proposed precept reduction has been raised. I wonder if you can tell us first of all what the cost is of the 33 pence a week cut in the Council Tax at Band E to the budget. What has it cost you in budgeting terms to make that reduction?

Boris Johnson (Mayor of London): I am told it is roughly £10 million.

Stephen Knight AM (Deputy Chair): £10.3 million was my back-of-an-envelope calculation, so that must be about right. What have you had to reduce expenditure elsewhere to pay for that?

Boris Johnson (Mayor of London): As you will know, Stephen, and as I said in my earlier comments, there has been a very significant reduction in expenditure across the group. I know that you are a glutton for efficiency and that has been very much the approach that we have taken. We are bearing down on costs across the GLA.

Stephen Knight AM (Deputy Chair): Let me put it another way. If you had another £10 million to spend as part of this budget process, what would be your priority for spending it?

Boris Johnson (Mayor of London): I would want to make sure that we continue to fulfil our commitments and one of those is to get young Londoners into work. I am very keen to support the apprenticeship programme. If there is more that we can do there, that would attract me greatly. We have been working hard obviously with firms to get them to take on young people. We have done a lot of the low-hanging fruit now. The question is how we can continue to get the apprenticeship programme really motoring. It is one of the things Kit [Malthouse, Deputy Mayor for Business and Enterprise] is working on hard. How can we continue to get it up to 250,000? Is there more help that we could give there? I am very, very keen to get that programme absolutely motoring along. I am not saying it necessarily needs another £10 million, but that is the kind of thing I might look at if I had another £10 million.

Stephen Knight AM (Deputy Chair): The choice you have made is the Council Tax precept rather than investing in apprenticeships?

Boris Johnson (Mayor of London): It is important in tough times to bear down on people's costs of living.

Stephen Knight AM (Deputy Chair): In your view, that was a higher priority than getting the apprenticeship figures up to 150,000?

Boris Johnson (Mayor of London): No, I am confident that we can do it.

Stephen Knight AM (Deputy Chair): I think that is what you have told us because you have said that if you had an extra £10 million you would put it into getting the apprenticeship figures up --

Boris Johnson (Mayor of London): If we had some ham, we could have ham and eggs if we had any eggs!

Stephen Knight AM (Deputy Chair): -- and the Council Tax has cost you £10 million, so are we not entitled to draw the conclusion that --

Boris Johnson (Mayor of London): No, you are not because we have to cut our coat to suit our cloth. What we are trying to do is to satisfy a number of competing objectives, amongst which is the necessity in tough times - as I think most parties, with the possible exception of the Liberal Democrats, accept - to bear down on people's costs of living. Council Tax is something that affects absolutely everybody. All homeowners and all council taxpayers in London are affected by this tax and I want to see that we bear down on it. We had a long period under the previous administration when it went up remorselessly. A lot of people felt it. This is one thing we can do to abate the cost of living for people.

If you give me another £10 million, there are all sorts of good uses I could find for it. We could build a few more affordable homes. We could do all sorts of things, but the priority has to be to fulfil the pledge to continue to reduce Council Tax.

John Biggs AM (Chairman): That is an interesting priority because that is clearly a political priority and you were elected with a commitment to doing that, but you need to recognise - as I think you are implicitly doing - that there is an opportunity cost, for example, in not having so much money to invest in skills and employment or in affordable housing.

Boris Johnson (Mayor of London): That is axiomatic. The same point obviously could be made *a fortiori* [with stronger reason] about a previous policy that I remember being adopted by the Labour Party which was to cut the fares by 7% --

John Biggs AM (Chairman): We are going to come to that joint issue in a minute.

Boris Johnson (Mayor of London): -- which would have absolutely massacred the ability of this city to invest in long-term transport infrastructure. There is always a trade-off. The job of the budget-setting procedure is to try to find somewhere to put the money.

John Biggs AM (Chairman): In a minute, we will come to that. I am going to try to be judicious and courteous in my chairing, but it does require you to respect it. We do need to move on to that section of questioning in a few minutes.

If I could move on now to the next section, which is about crime. Why is crime falling more slowly in London than in the rest of the country?

Boris Johnson (Mayor of London): I am grateful for that question. It is not actually true.

John Biggs AM (Chairman): It is true. The record is very, very clear about this.

Boris Johnson (Mayor of London): The assumption behind the question is not right because I am told that the report is out of date. Crime in London is now falling faster than in the rest of the country and confidence in the police is actually rising and rising quite fast, as far as I can see.

One of the factors is, if you look across the rest of the country, you are starting to see some crimes such as burglary starting to go up in a way that is quite striking. This is something that obviously we are discussing in the Mayor's Office for Policing and Crime (MOPAC) and with the police. I wonder whether that is a function of the numbers game. I know that people accuse me sometimes of making a fetish of high police numbers in London, but I happen to think that it is very important for us in City Hall to take a lead in keeping the numbers high and not to fall into the trap of cutting those numbers in the way that perhaps they have been cut elsewhere in the country. It is possible – I go no further than this – that some of the crime type rises we are seeing elsewhere in the country are associated with the falls in police numbers we are seeing elsewhere in the country.

John Biggs AM (Chairman): We will examine this in greater detail in the next few minutes. The record shows – and I do not think this is entirely your fault and I am sure it is a coincidence to some degree – that in roughly 2008/09, which is when you were elected, the decline in recorded crime in London started lagging quite severely behind the rest of the country. I am sure there are many, many reasons for that --

Boris Johnson (Mayor of London): Sorry, when was that, John?

John Biggs AM (Chairman): The year you were elected, 2008. From there on, we have the figures. They have been verified by the national bodies. What is more, they show that is our most similar group – that is to say the other urban centres because one of the questions is whether in urban centres of population crimes has different patterns than in the countryside – it has declined even faster than in the rest of the country. Therefore, the figures show us that recorded crime has gone down slower in London than it has in other parts of the country. To say that in the last couple of weeks that may have altered may or may not be true, but over the last six years that has not been the case.

Boris Johnson (Mayor of London): It is certainly obviously true and probably axiomatic of crime-fighting that you will have a different range of problems and different issues in a great metropolis. That would probably be common ground between us. I still think it is very remarkable and very creditable to the Metropolitan Police Service that crime just in the last year, if you look at the overall crime against MOPAC's baseline year of 2011/12, is down 11.3% and on the MOPAC figures it is down 10.2%. There were 40,000 fewer victims of crime in London.

Obviously, people will ask questions about the reliability of the figures and so on. Actually, we have interrogated the Metropolitan Police Service very closely about this. I think you can rely on these figures. Look at the murder rate; it is very difficult to fudge the murder rate. We are seeing some very remarkable successes in crime-fighting.

John Biggs AM (Chairman): I hope we have not snatched too much of Joanne's [McCartney, AM] question here. In New York and Los Angeles, which are well-known centres of high-intensity crime and notorious gangster movies permeate the globe because of their reputations, their crime rates have been falling at a faster rate than in the rest of the United States. There are all sorts of theories and explanations for that, but the fact is that London seems to be an outlier compared to its peers.

Boris Johnson (Mayor of London): I disagree with that, obviously, because from what I --

John Biggs AM (Chairman): You would disagree with that, but the facts do not agree with you. The facts are very clear that London is in a bit of a bind at the moment. Indeed, your officers from the Metropolitan Police Service last week conceded that this was the case.

Boris Johnson (Mayor of London): No. First of all, it is ludicrous to compare us to New York where the murder rate, for instance, is vastly higher than it is in London.

John Biggs AM (Chairman): I am not just talking about murder.

Boris Johnson (Mayor of London): It is a crime type that clearly is very detrimental to the feeling of wellbeing in a city and to the people's quality of life. If you have a high murder rate, people notice that in a city and we are doing very well in London in reducing it. Actually, if you look at what is happening, as I said, London is now outstripping the rest of the country in reducing crime and that may be, as I say, because of the difference between London and the rest of the country in this sense: we are keeping police numbers high.

John Biggs AM (Chairman): After this meeting, perhaps you can write to us explaining how it suddenly is that London is outstripping the rest of the country. The figures seem to contradict that.

Boris Johnson (Mayor of London): These are the figures from MOPAC.

Joanne McCartney AM: I would be interested in those figures because certainly the last quarter that we have figures for --

Boris Johnson (Mayor of London): I am sure you would because they contradict your miserable thesis.

Joanne McCartney AM: Can you listen, please?

John Biggs AM (Chairman): Mayor, could you respect the meeting and answer succinctly and not interrupt halfway through a question?

Joanne McCartney AM: The figures that we have to date that have been made available to us do not show that pattern, so I would be interested to see whether the latest figures show a different trend. That is the point I was making, Mr Mayor.

One of the things we have heard you talk about is the importance of keeping police numbers high and your manifesto promise two years ago was to retain them at 32,000. We then had a hiatus with the Olympics. Since then, you have not maintained those numbers at 32,000. We heard last week from the Deputy Commissioner [of the Metropolitan Police Service] that part of the savings you have been able to make is because you have not done and that there was a delay in getting officer numbers back up. Has that affected performance, do you think?

Boris Johnson (Mayor of London): I do not think so, no. I have no reason to think it has. If I look at the numbers now, we are well over 30,000. We will be at 31,000 in March 2014 and by March 2015 almost 32,000, so these are very substantial numbers of police officers. There are some criminologists who say that you do not need to obsess about numbers in the way that perhaps we have. I disagree with them. It is my job as the Mayor to fight for higher police numbers. I do think they make a difference and that is why we are keeping them high.

Joanne McCartney AM: Since your last election, officer numbers have actually fallen. If we take, for example, the figure at May 2010, officer numbers have fallen quite substantially by over 2,500 to date. We have also seen since that time Police Community Support Officers (PCSOs) falling by over half. That does have a great impact.

I want to talk now if I can about visibility of policing. You have expressed in the past the importance of visibility of policing. Her Majesty's Inspectorate of Constabulary (HMIC) produced a value-for-money profile before Christmas that said that the Metropolitan Police Service had the third lowest proportion of officers who were deemed visible. Only 52% of the Metropolitan Police Service's officers were

deemed visible compared to an average of 61% in the rest of the country. In coming to that and in coming to those value-for-money profiles, they do take out a lot of the national roles of the police so that they are comparable. Does that offer you some concern?

Boris Johnson (Mayor of London): That is the right area of concern and it is exactly the right thing to focus on. One of the changes that we have been able to make and to lead in the last few years has been that effort of getting more people out from the back office.

To go back to what John [Biggs AM, Chairman] was asking about on London's performance vis-à-vis the rest of the country, historically it was true that a high proportion of Metropolitan Police Service officers were in the back office. We have taken about 4,700 out of the back office, according to the notes I have here. As you know, the essence of the neighbourhood policing plan is to get another 2,600 into neighbourhood teams. In frontline policing, I do think that makes a difference.

I think you used a phrase like 'proof of the pudding' or 'acid test' or whatever. The acid test is what is happening to crime. Crime in London is falling very sharply and it continues to do so. It has fallen throughout my period as Mayor. Actually, as I was saying to John, the interesting thing is that unlike previous epochs when the metropolis faced traditionally much greater problems than the rest of the country, in some crime types you are now seeing London outdistancing the rest of the country.

Joanne McCartney AM: My question was about visibility and the visibility of police officers is significantly lower than the rest of the country. I am sure you will agree that visibility has a greater impact, particularly on fear of crime.

Boris Johnson (Mayor of London): It does.

Joanne McCartney AM: The other thing that HMIC pointed out was that in the Metropolitan Police Service budget only 8% is spent on neighbourhood policing, which is approximately half of the rest of the country which spent twice as much proportionately on neighbourhood policing.

You have talked about getting officers back out there, but we know that neighbourhood officers are now being given a much wider role to do. They now investigate. Certainly anecdotally, I have heard from my boroughs that my local officers under the new policing model are saying they cannot go out on patrol because they are so busy dealing with other things. They are not actually getting out onto the streets. I think other Members have made comments to that effect.

Do you think you are putting enough into neighbourhood policing? HMIC says this will prevent their preventative work, which may have an impact down the line on crime. If your neighbourhood police are not out patrolling, they are not preventing.

Boris Johnson (Mayor of London): I understand, yes. What the Metropolitan Police Service would have said a few years ago is that one of the reasons they have a high proportion in the back office compared to other forces is, clearly, the Metropolitan Police Service is responsible for all sorts of national functions and all sorts of things that the --

Joanne McCartney AM: I am talking about the local neighbourhood policing now, Mr Mayor.

Boris Johnson (Mayor of London): You mentioned a percentage or a proportion of the officers who are out on the front line at any one time.

Joanne McCartney AM: Only 8% of the Metropolitan Police Service's budget is spent on neighbourhood policing compared with 16% nationally.

Boris Johnson (Mayor of London): You are completely right in that it is our job to help the Metropolitan Police Service to get our officers out on the front line as much as possible. That is why

we had patrolling and an increase in patrols. That is why we are putting more officers and more PCSOs into neighbourhood policing. As I say, the numbers show --

Joanne McCartney AM: We have fewer PCSOs in neighbourhood policing. Half of them have been cut.

Boris Johnson (Mayor of London): -- that there are more officers all together in neighbourhood policing and an increase of 2,600 across the board.

Joanne McCartney AM: Some of those are for specialist functions that were previously held centrally and that were available to boroughs anyway. Actually, the proportion of your budget spent on neighbourhood policing is significantly less than the rest of the country. National functions are taken out in these comparisons.

Boris Johnson (Mayor of London): As I say, what you are saying is misleading because what we have in London is a very wide range of responsibilities for the Metropolitan Police Service. The proportion that is going on neighbourhood policing is actually increasing now and we are getting more officers out onto the front line.

Joanne McCartney AM: HMIC says that compared to the rest of the country it is less. In doing those value-for-money profiles, it takes out national functions.

Boris Johnson (Mayor of London): Most viewers and listeners will understand that the Metropolitan Police Service is responsible for a great many functions that other forces are not and --

Joanne McCartney AM: HMIC takes out those when it makes its value-for-money comparisons.

Boris Johnson (Mayor of London): -- what we are doing is, in spite of that responsibility and in spite of those commitments, we are getting more officers out on the front line. The proof of the pudding or the test is that we are actually succeeding in reducing crime types, particularly the MOPAC seven [cutting seven key neighbourhood crimes by 20%]. That is a great credit to the police and what they are doing.

Joanne McCartney AM: Mr Mayor, I will make the point again before I move on to my last question. HMIC takes those national functions out when it is making these comparisons.

Boris Johnson (Mayor of London): I make the point to you again that the proportion of spending going on neighbourhood policing is going up and neighbourhood policing is going up and crime is coming down. That is what I think most people will want to see.

Joanne McCartney AM: That is still less than half compared to the rest of the country. One of the figures that I do not think you can dispute - and nor does the Metropolitan Police Service or MOPAC or the Deputy Mayor [for Policing and Crime] - is that the Metropolitan Police Service still has the lowest rate of victim satisfaction in the country, despite the challenge to increase that. Are you satisfied with progress so far?

Boris Johnson (Mayor of London): Obviously, victim support and victim satisfaction is incredibly important. It is one of the key drivers, in my view, of successful judicial outcomes in London. Joanne, you have long experience of the legal system in London. You will know very well that we have too many prosecutions that do not succeed. The average criminal in London tends to plead innocent more often than elsewhere and with greater success. We need to be more effective in getting testimony, getting witnesses to court and getting our prosecutions successfully. That is why we are currently in an argument with Government, which I am sure you are referring to --

Joanne McCartney AM: We have written as well, yes.

Boris Johnson (Mayor of London): -- about the budget for victim support. I do not think it is sensible that this should be set according to population, which is the current dispensation. You might as well call it 'population support'. It is there to support victims. We have more victims in London proportionally than anywhere else. If you are asking me: are we lobbying --

Joanne McCartney AM: I know you are.

Boris Johnson (Mayor of London): -- and are we militating for London to have a better, more reasonable share of the funding. Can I give you an absolute assurance now that that message has been understood? I certainly think it has been understood. We are making progress. We have yet to receive the cheque, but the case is being made very forcefully indeed.

Joanne McCartney AM: You are going to be responsible from April 2014 for victim service commissioning in London.

Boris Johnson (Mayor of London): I understand that.

Joanne McCartney AM: If the Government does make its formula changes which leave Londoners worse off, will you commit to putting money into the victims budget?

Boris Johnson (Mayor of London): Let us put it this way. I do not want to give the Government the slightest encouragement not to support London victims in the way that they should be: proportionately according to the number of victims.

John Biggs AM (Chairman): Implicit in your answer, you are accepting that London's policing is underfunded?

Boris Johnson (Mayor of London): No, there is a specific question that Joanne is asking about victim support and the change to the funding system. It is perfectly true that London is receiving more funding for victim support and that is good because what Joanne said is right. It is one of the key areas that we need to get right. If we are going to have successful trials and if we are going to have a proper criminal justice that the victim can feel confident in and that does the business, then we are going to need to have proper protection, proper encouragement and proper support of victims. Too often, as I say, you get these trials that fail, victims are frightened of giving evidence, they do not turn up and all sorts of things.

We have had an increase, but that increase was in accordance with our population size. It was not in accordance with the number of victims in London. As everybody appreciates and as we have discussed already this morning, there is a greater prevalence of crime types in London. We have to deal with the problem as it is, not with some abstract calculation based on population size.

Gareth Bacon AM: Mr Mayor, in opening, some impartial viewers of today's meeting in the hugely packed gallery we have today --

Boris Johnson (Mayor of London): Where is everybody?

Gareth Bacon AM: -- may take the view that actually crime must be rising in London from the tone of some of the questions that we heard earlier. Of course, it is going down and the long-term trend is that it will continue to go down. It is currently sitting at 27% below where it was 10 years ago and some of us do actually welcome that, so we are applauding --

John Biggs AM (Chairman): We all welcome that, actually.

Gareth Bacon AM: Marvellous. That is good. I did not hear that in your remarks earlier, Chairman.

I would like to talk to you about police numbers and particularly police morale off the back of that. Some of the question we heard earlier, rightly, looked at recruitment of police officers as a reason why numbers are not at the level that they are currently budgeted for. There has been some talk around visibility as well. I understand why people are concerned about that.

One of the ways to increase the visibility of police officers is the policy that the Metropolitan Police Service has been following of increasing the police constable (PC) base and thinning out the more superior ranks. This is purely anecdotal, Mr Mayor, from talking to police officers, but part of the perhaps unintended consequence of that is that there are fewer opportunities for promotion within the police and more police officers are now leaving than perhaps the Metropolitan Police Service expected.

This is a question that I put to Deputy Commissioner Mackey last week. Are you concerned that that could become a trend? Are you keeping an eye on it?

Boris Johnson (Mayor of London): We are.

Gareth Bacon AM: What can be done to restore morale? Morale is apparently quite low amongst people in the middle to junior ranks in the Metropolitan Police Service.

Boris Johnson (Mayor of London): I understand the point very clearly, Gareth, and we are keeping a very close eye on this. Clearly, a career in the Metropolitan Police Service is a great career and it is a fantastic force to join. People have a wonderful time in the police and they enjoy their careers very much. There should be ample opportunities for progression for talented and energetic people who want to and who are doing well. We do need to address that. The point you made is a live one, Gareth, and we are certainly looking at it. I know that the Commissioner is thinking about it.

Gareth Bacon AM: That is good to hear. I would like you to keep that close to your thinking, then, because it should be a great career and many Metropolitan Police Service officers will tell you that it used to be, but many of them now are finding that they are running into glass ceilings at comparatively junior ranks. That is causing more attrition - anecdotally - than is potentially good for the Metropolitan Police Service and you could be trading experience for inexperience simply to get numbers on the street.

Boris Johnson (Mayor of London): You will accept that there is a trade-off here and a city will want a large proportion of its police officers to be out there on the street and not to feel that they are now beyond such things. It is important to try to strike a balance, but the point you make is a good one. It is also important to make sure that people have a clear sense of progression.

John Biggs AM (Chairman): If I could just very quickly say, over the next year the Police and Crime Committee and the Budget Committee will want to look at the productivity of our police service and will be taking further evidence on that. It would be helpful if you could provide the Committee outside the meeting with the figures which confirm your version of events: that crime is suddenly reducing at a faster rate in London than in the rest of the country.

Boris Johnson (Mayor of London): I am sure that will be no problem.

Richard Tracey AM: Could we turn to the subject of technology to back up the operations of the Metropolitan Police Service? I think now there is complete agreement that the technology that has been in place in past years has been rather shambolic. In fact, Craig Mackey, the Deputy Commissioner, said last week that he was appalled by the way things had gone over the years. Apparently, I understand that over the last 40 years the force had over 750 different information technology (IT) systems wired together. It is not surprising, therefore, that it was shambolic.

Mr Mayor, can I put it to you quite directly? How did it get into such a bad state? I know you have been Mayor for only five years, but over the period it does appear to be frightful.

John Biggs AM (Chairman): Six years.

Boris Johnson (Mayor of London): Thank you. It goes by in a twinkple, but it has been almost six years now.

We are, again, keeping a very close eye on this because IT is a notoriously difficult area of public administration. You have a massive tendency to cost overruns. There is a big investment programme going on and what Craig Mackey told you is absolutely right. We are watching this incredibly closely. We are spending £171 million on IT. Eddie [Lister, Chief of Staff and Deputy Mayor for Planning, GLA] advised me of that. That is absolutely true. I have a figure of £273 million here over 2014 - 2016. These are huge sums and what we want is to see them deliver real, cashable savings from the operation of the police. The public sector is not brilliant at installing big, new IT products. We have to make sure that we watch this very carefully indeed.

John Biggs AM (Chairman): I am sorry. From the chair, would you accept it is not just cashable savings but it is productivity, going back to Joanne's [McCarthy AM] point about --

Boris Johnson (Mayor of London): Of course. It depends how you define it. We are talking about savings and, of course, increased productivity as well.

John Biggs AM (Chairman): All right. Sorry.

Richard Tracey AM: You are right. £273 million in projected spending was what we were told about last week. Of course, we had previously on this Committee heard a lot of evidence from Assistant Commissioner Mark Rowley, who is charged with this. It just seems extraordinary that it had been allowed to get into such a bad state over a number of years. What do you think you have personally done to improve the situation since you became Mayor? Can you put your finger on any particular things?

Boris Johnson (Mayor of London): One of the most important things that I began when I took over as Mayor was the whole exercise of trying to bring services together and to share them in such a way as to reduce costs across the group. That is an effort that is still going on and has yielded very considerable savings. The legal departments and human resources (HR) departments are now sharing a lot more of their functions with each other. There is still a long way to go, but that has been one of the drivers of savings and productivity gain.

Richard Tracey AM: Particularly on technology, for example, have you brought about any sharing of skills and knowledge in technology across the various parts of the GLA family? Obviously, TfL has a lot of expertise in technology which maybe they could have passed on to the Metropolitan Police Service.

Boris Johnson (Mayor of London): It goes without saying that we communicate now across the group and there are IT departments that are in touch with each other and helping each other in just the way that you would expect. I do not think we have merged the IT departments across the group, but there is a great deal of sharing of expertise, you would expect that.

Richard Tracey AM: In the next two years, how have you satisfied yourself that the Metropolitan Police Service's investment in technology will not be wasted and that it will be very specifically targeted, possibly taking on the good experience and the knowledge of some of the county forces? I believe there are some that are well in advance of the Metropolitan Police Service in the way they use technology.

Boris Johnson (Mayor of London): We are going to invigilate this very, very carefully indeed. I am grateful to you for your line of questioning, actually, because I do think it is important that we keep a very -- I am not myself an IT technician. Perhaps that could be my next career move. We will make sure that we watch this like hawks. Like lynxes we will watch it. Like eagles we will watch the installation of this new IT system. It should offer big productivity gains for London. It should be a great thing. Craig [Mackey, Deputy Commissioner, Metropolitan Police Service] is very confident that it will work and we must hope that he is right.

Richard Tracey AM: There is one other point. Last week Deputy Mayor [of Policing and Crime] Stephen Greenhalgh said to the Committee - these are his words - that "more important to me than police officer numbers is the performance of the Metropolitan Police Service". He seemed to be suggesting that perhaps, with technology, you could not operate with fewer than your 32,000 officers. Do you think that is right?

Boris Johnson (Mayor of London): I do not think that was what Stephen was suggesting.

Richard Tracey AM: That is what he said. I have just quoted you his words. It is all on the record.

John Biggs AM (Chairman): That was what he said. It is on the record. We can play you the tape, if you like.

Boris Johnson (Mayor of London): No, the second part of the question was an interpretation of what he had said which Richard made, which was that we could get along with fewer officers. That is not what he said.

Richard Tracey AM: Do you think it might be possible or not?

Boris Johnson (Mayor of London): No, I do not think it is necessary. The virtues of keeping police officer numbers high are multiple because you get the benefits that Joanne [McCartney AM] has been talking about, you get the man on the street and you deliver public confidence. As I say, if you look at some of the crime types you are seeing in other parts of the country where they are going up, there is a strong case for looking at what we have done in London in keeping them high.

Richard Tracey AM: Thank you.

John Biggs AM (Chairman): You have a fairly logical mind when you put yourself to it. It seems to me that if someone was to say to you that performance is more important than numbers, you would leap from that to a conclusion that productivity was more important than numbers.

Boris Johnson (Mayor of London): Of course it is, but listen. That does not mean that numbers are not important.

John Biggs AM (Chairman): No, it does not.

Boris Johnson (Mayor of London): Come on. John, you will know. You are a great logician, too. Come on.

John Biggs AM (Chairman): This is a classic 'Borisonian' diversion, but let us put it this way. It would be helpful if your budget said more about the productivity gains you expect to see in the police service as a result of this investment. It is a perfectly valid question to ask.

Boris Johnson (Mayor of London): Yes, but all we are saying is that you will have even greater productivity amongst a higher number of officers, which is going to be even better.

John Biggs AM (Chairman): OK, so if the same number of officers spends less time twiddling antiquated computer systems, they will be more productive in catching more crooks. Is that right?

Boris Johnson (Mayor of London): Yes, that is it. You might even consider the further advantages of new iPads and all that malarkey. All this is coming very fast down the track now, particularly in the relationship between the police and the criminal justice system, how fast you can convict people. You can even have instant courts. You can do all sorts of things now to speed up the criminal justice system and make the life of the police easier, to increase their productivity and to enable them, as Stephen [Greenhalgh, Deputy Mayor for Policing and Crime] said, to get on and deal with other problems, get them out onto the street and also release them to deal with emerging problems like cybercrime, which is a good thing.

John Biggs AM (Chairman): Clearly, a lot of dissatisfaction flows from the fact that householders experience a crime and it is very well recorded but then they get very quickly an answer which says, "There is no evidence that is going to allow us to detect this, so sorry, mate, it is not going to get anywhere". Greater productivity might allow us to give people greater satisfaction by making greater efforts to detect crime and to improve confidence that way. You are agreeing with that?

Boris Johnson (Mayor of London): Absolutely.

John Biggs AM (Chairman): Just to tidy up this section, then, it is a matter of fact that recorded crime is declining at a lower rate in London than elsewhere. We do accept that.

Boris Johnson (Mayor of London): You have said that several times now, but I have contradicted you.

John Biggs AM (Chairman): We have said that quite a few times. You contradicted us, but it is difficult. Even a mayor cannot alter the facts.

Boris Johnson (Mayor of London): The Mayor can produce new facts which --

John Biggs AM (Chairman): I know, which is precisely what I am going to ask you to do.

Boris Johnson (Mayor of London): We can. David Gallie [Assistant Director - Group Finance, GLA] has gone.

John Biggs AM (Chairman): The HMIC methodology points towards facts and numbers. We want to know what you, what MOPAC and what the Metropolitan Police Service are doing outside of this meeting - and you can write to us before the main budget meeting - to understand the causes of that and therefore the reactions that you might take to help to address that apparent disparity.

Boris Johnson (Mayor of London): Yes, I understand your Committee's curiosity.

John Biggs AM (Chairman): Unfortunately, we need to make progress on the meeting, but there is one final question about policing which is --

Boris Johnson (Mayor of London): We can get it to you very fast.

John Biggs AM (Chairman): OK. There is another final question about policing which is of some importance to us. You are very firmly wedded to 32,000 officers or thereabouts, I believe, yes?

Boris Johnson (Mayor of London): Yes.

John Biggs AM (Chairman): Yes, just under, 31,900 or something. Yet for most of this term in office it has been running at over 1,000 fewer officers than that. You are predicting that by May next

year you will be up to more or less that number. Given that this is such a sacred number, how satisfied are you that you have been bumping below it for the majority of your second term as Mayor?

Boris Johnson (Mayor of London): Just to repeat the point, the numbers are far higher than they have been traditionally over a long period in the Metropolitan Police Service and I have drawn a contrast between what has been happening in London with numbers and what has been happening elsewhere in the country. That is a very considerable credit to the Metropolitan Police Service in keeping their numbers high.

It is very, very important to make the case for high police numbers. We have had this conversation before. There will always be a temptation with a fixed budget or a diminishing budget to say, "We can solve the problem of individual people feeling under-resourced or individual departments feeling under-resourced by reducing the numbers". This is a point that people will often invite you to accept. However, that is not the right way forward. The right way forward is to cut the costs, to reduce the cost base and to increase productivity to enable us to get officers out there and to keep numbers high. I actually agree with what Joanne [McCartney AM] was driving at, which is that numbers and presence on the street makes a big difference. That is what we are trying to do.

John Biggs AM (Chairman): As I keep saying, we need to motor on, but we do need to understand this question more thoroughly in the coming year. In both senses of the phrase, Gareth Bacon is now on fire.

Gareth Bacon AM: I did not notice.

John Biggs AM (Chairman): I thought that was a good introduction.

Gareth Bacon AM: In both senses? What other sense?

John Biggs AM (Chairman): You are on fire with the intensity of your questioning, and on fire in questioning the budget of the fire authorities.

Gareth Bacon AM: Mr Mayor, the Fifth London Safety Plan (LSP5), as you know, took longer to push through than was originally imagined. As a consequence of that, some of the staffing numbers that were envisaged to be reduced in the timescales set out in LSP5 will not be achieved. We heard last week at the Budget Committee that the gap is likely to be in the region of £7.7 million that could not be achieved through LSP5 savings. The implication during the meeting was that you would somehow be able to fill that gap during this budget process. Do you recognise that and how are you going to do it?

Boris Johnson (Mayor of London): Thanks, Gareth. I do recognise that figure. Obviously, the London Fire and Emergency Planning Authority (LFEPA) will be considering the implications of that later this month. We are confident that LSP5 can be managed and that particular funding gap can readily be met. I can stress it is in the budget.

Gareth Bacon AM: Where did you take the money from to plug the gap?

Boris Johnson (Mayor of London): Obviously, efficiency savings, as you would expect, and there is a marvellous fund called the Mayor's Resilience Reserve.

Gareth Bacon AM: Yes, I am going to talk about that in a moment. I might as well do it now.

John Biggs AM (Chairman): Is that an anagram of 'slush fund'?

Boris Johnson (Mayor of London): No.

John Biggs AM (Chairman): Carry on.

Gareth Bacon AM: Mr Mayor, you made the commitment last year that beyond LSP5 any further cuts in central Government support to fire authorities or in this case the London Fire Brigade you would make up yourself within City Hall and you are using the Mayor's Resilience Reserve to do that. I believe in 2015/16 you are going to put £19.5 million in to counteract the cuts that central Government brought in. Do you have plans beyond 2015/16? That money can only be used once, obviously, or until the Resilience Reserve is exhausted and yet the Government cuts will stay in place in perpetuity.

Boris Johnson (Mayor of London): Beyond 2015/16?

Gareth Bacon AM: When you get re-elected for a third term.

Boris Johnson (Mayor of London): Clearly, once I am re-elected for a third term, we will cross that bridge when we come to it.

John Biggs AM (Chairman): For the record, you said that the £8 million is already provided in the budget, but your draft budget says that that has yet to be sorted.

Boris Johnson (Mayor of London): It will be included. There will be plenty of opportunity for you to interrogate me on that.

John Biggs AM (Chairman): It is coming from somewhere but you are not too sure where yet?

Boris Johnson (Mayor of London): It is coming from the Resilience Reserve.

John Biggs AM (Chairman): OK. We will now move on to the sunny uplands of transport.

Valerie Shawcross CBE AM: Mr Mayor, can you just explain to me why you delayed your announcement of the fare rise decision until 3 December, which was more than a month later than it is usually announced?

Boris Johnson (Mayor of London): I can. I will be very frank with you, Val, as I always am. I have thought that it is the right thing to do for a long time, as I said in my campaign in 2012 and as I have said for many years, to bear down on fares where you can and to try to keep them as low as you possibly can. That was the point that I made to Government and I thought that it would want, in view of the pressure on people's cost of living, to hold fares down at the retail price index (RPI).

I will not conceal it from you. There was a long and lively discussion about that. As you know and as I am sure Londoners appreciate, there is a connection between what the Government decides to do and what we decide to do because our Travelcard fares are affected by what happens on Network Rail. That argument went on. It was made very clear to me that the Government was resolute to do RPI plus 1%. It saw no point in holding them down. I thought that was not the right way forward. In the end, we reached a position where I thought we should just simply go ahead and we did. I was then delighted to see that the Government followed our lead. I cannot remember when it was. In the Autumn Statement, the Government decided that it would mimic TfL and keep fares on the network at RPI. That was the right thing for it to do.

Valerie Shawcross CBE AM: Basically, you hung on a long time hoping for better news from Government and you made the decision public when you thought you were not going to get better news from Government.

Boris Johnson (Mayor of London): Pretty much, yes.

Valerie Shawcross CBE AM: In fact, although there are Londoners who have benefited from the delay in the implementation of the fares that has been consequent from this decision-making process it was a bit of a bus crash, Boris. In fact, TfL has now stood to lose about £19 million through this whole process, £4 million from the delay because there are people who have the cheaper replacement of their tickets and they will be pleased personally. The imposition of the RPI cap and the rejigging of the fares announcement have meant probably £15 million down on the total income from the year. Do you not think it is a bit unreasonable to claim this as a victory when --

Boris Johnson (Mayor of London): Of course it is a victory.

Valerie Shawcross CBE AM: -- in fact your spat with George Osborne [Chancellor of the Exchequer] has cost TfL's budget about £19 million.

Boris Johnson (Mayor of London): First of all, our relations are those of glutinous friendliness and always have been and always will be. Secondly, it is completely bizarre for you to complain about TfL spending £20 million on a fare cut when you, as far as I remember, in 2012 were campaigning on a manifesto that involved spending about £2 billion on a completely unaffordable fare cut.

As it happens, what we have been able to do through leadership in London is to be able to get the Government into a good position on the fares package this year and I am delighted that it rode in behind TfL.

Valerie Shawcross CBE AM: OK, but it rode in behind you and ran you over, Boris, to continue the analogy.

Boris Johnson (Mayor of London): If I may say so, that shows your grasp of transport management.

Valerie Shawcross CBE AM: We will come back to the fare levels in a minute because there is an important point about finally you and the Government accepting the argument that the fare increases are too high. The process itself was a bus crash.

Boris Johnson (Mayor of London): That is actually offensive to people who are involved in bus crashes.

Valerie Shawcross CBE AM: Do you think you could manage the fares decision better next year? What will you do differently next year to avoid this happening again?

Boris Johnson (Mayor of London): Most people would be shocked and surprised that you seem to attach so little importance to the benefits that have flowed to many, many hard-pressed rail passengers from having their fare rises kept at RPI. That is a significant gain that was won effectively by us in London showing a lead.

Valerie Shawcross CBE AM: Yes, but when you announced the fares on 3 December 2013, you thought you would be £19 million better off, so it was hardly coherent decision-making. You actually lost money on two counts because of the poor interaction between TfL and the Government about fares.

Boris Johnson (Mayor of London): This is nonsense. On the so-called loss of £19 million, for starters, every month we are involved in negotiations with the Government about funding packages of one kind or another. This is a sum that I have absolutely no doubt that the Government recognises that it will want to credit to our budgets. That will be reflected in the forthcoming negotiations on any number of budget interactions with the Government.

Valerie Shawcross CBE AM: This ought to have been an easy one because it happens every year. Mr Mayor, is the Government going to compensate TfL for any of the lost income from this process,

particularly from the RPI cap on Travelcards and this two-week delay in implementation that was caused by this sudden change of Government policy? Is it going to give you any help, Mr Mayor?

Boris Johnson (Mayor of London): I understand the point that you are making. I think most Londoners will think it is a very trivial consideration because actually the Government will - I have no doubt - understand its obligation on that point. We held down the TfL side of the equation because we expected the Travelcard side to go up by RPI plus 1%. You are right in your arithmetic, but that will - I have absolutely no doubt - be compensated by the Government in the course of the continuous negotiations that we are engaged in. The winners are Londoners and London rail commuters and users of London services who had their fares kept at RPI. Actually, in the case of TfL non-rail services, it is less than RPI at 2.7%. That is what you should be talking about, Val. I do not know why you are not making more of it. I do not know why you are not cheering. Is that not wonderful?

Valerie Shawcross CBE AM: Let us talk about that, Mr Mayor, if I may.

John Biggs AM (Chairman): I think we can all try to calm down a bit.

Boris Johnson (Mayor of London): Is that not wonderful news?

Valerie Shawcross CBE AM: Can I talk about that, Mr Mayor? I absolutely agree that a reduction in the rate of increase is extremely welcome.

Boris Johnson (Mayor of London): That is the spirit, Val.

Valerie Shawcross CBE AM: However, it does seem to have happened by accident on your behalf. You used the phrase earlier in this meeting that you --

Boris Johnson (Mayor of London): Sorry, it happened because we bounced the Government into it.

John Biggs AM (Chairman): Mayor, allow her to ask the question and then you answer it, or I will throw you out and then we will ask questions to an empty chair at that point.

Boris Johnson (Mayor of London): If you really want to throw me out, be my guest.

Richard Tracey AM: That was last year.

Valerie Shawcross CBE AM: Earlier in this meeting, Mr Mayor, you did use the phrase. You talked about Labour's aspiration to see the fare increases reduced. You said that that would have "absolutely massacred" - I wrote that down as you said it, an exciting comment - London's investment in capital infrastructure. This year Peter Hendy [CBE, Commissioner for Transport] has told us that the RPI-only fare increase - and as you said, it is a bit lower now in London - could be carried out without any ill-effects on services and without making any reductions to the capital programme, yet last year you fought voraciously to maintain the fare increase levels. Why is it possible this year when it was not possible last year?

Boris Johnson (Mayor of London): Hang on. I think there is some danger of confusion here. I was very opposed to what I thought was your policy to cut fares by 7% and --

Valerie Shawcross CBE AM: When we were talking last year about the fare rise --

Boris Johnson (Mayor of London): -- I thought that was deranged and would have cost us billions of pounds and --

Valerie Shawcross CBE AM: Sorry, Mr Mayor, last year --

John Biggs AM (Chairman): Val, can we try to have some order? There is an understanding in politics that when you lose an election, which the Labour side did, then their proposals have been dumped by the voters and we are left with those --

Boris Johnson (Mayor of London): Those proposals are no longer operative?

John Biggs AM (Chairman): -- of the victors and then people go away and dust their wounds and work out what they are going to do next. What we are talking about is what you said last year --

Boris Johnson (Mayor of London): Your policies are now my policies?

John Biggs AM (Chairman): No, what we are talking about is what you did last year and what you are doing this year.

Boris Johnson (Mayor of London): That is very much the right way forward, John. You will not go wrong. Stick with my policies and abandon your policies.

John Biggs AM (Chairman): Let us try to have some decorum and answer the questions. Now, Val, you are going to be polite and not too antagonistic and we might even get an answer out of him.

Valerie Shawcross CBE AM: I thought I was being very friendly, Chairman.

Boris Johnson (Mayor of London): We were all being very friendly.

Valerie Shawcross CBE AM: Last year, the debate was about RPI versus RPI plus 1%. In response, you explained that the 1% fare increase reduction that we were asking for would cost £340 million over 10 years and you argued very strongly that it was absolutely necessarily. I am really pleased that the fares have not gone up as highly this year at last.

Boris Johnson (Mayor of London): That is the spirit. That is it. Hold that thought.

Valerie Shawcross CBE AM: Why is it possible this year? Actually, TfL's business plan - and that business plan has been put to us, as a budget document, basically - is still talking about RPI plus 1%. How is it possible? How has this extra money come into TfL's business plan?

Boris Johnson (Mayor of London): There is a cost and everybody understands that. I am sorry, I was not aware that last year your policy had changed to become my policy and I apologise to you for not realising that --

Joanne McCartney AM: Absurd.

John Biggs AM (Chairman): No, try to answer the question.

Boris Johnson (Mayor of London): -- you were now in favour of the things that I was, I now understand that the difference between us had vanished to a much smaller --

John Biggs AM (Chairman): No, you need to try to answer the question.

Boris Johnson (Mayor of London): With great respect, I am answering the question because Val's demand --

Valerie Shawcross CBE AM: Why was it so --

Boris Johnson (Mayor of London): It is very important.

Valerie Shawcross CBE AM: Why would London's transport budget have been "absolutely massacred" last year by cutting fare increases and this year it is all achievable?

Boris Johnson (Mayor of London): I thought you were proposing a 7% cut in fares.

Valerie Shawcross CBE AM: What has changed?

John Biggs AM (Chairman): We are asking you.

Boris Johnson (Mayor of London): I am so sorry. Forgive me. I thought that your operative policy was still the policy on which you campaigned, which was that you wanted to cut fares by 7%. I accept what John has very movingly said about elections and the democratic process. I get that now, OK?

John Biggs AM (Chairman): Try to answer the question.

Boris Johnson (Mayor of London): You junk the old policy --

Valerie Shawcross CBE AM: Mr Mayor, can you just talk about what happened at this Committee last year and what is happening at this Committee this year? We are just asking you to justify this sudden enormous reversal in your policy.

Boris Johnson (Mayor of London): It is certainly an enormous reversal of your policy. As I have said to --

John Biggs AM (Chairman): This is a ridiculous waste of time and it is just a parody of the process. Can I be helpful to you for a second? I think that what has happened is that there has been a realisation at a very high political level, presumably up at Downing Street as well as in your office, that the public unhappiness with fare rises required action and a direction was then made that they would be frozen in real terms this year. I think that is what happened and I think that is a matter of public record.

Boris Johnson (Mayor of London): No, it is complete nonsense.

John Biggs AM (Chairman): We should all be pleased that that is happening, but Val has asked you a very specific question. Last year --

Boris Johnson (Mayor of London): Yes. If I may say so, I am entitled -- I am sorry.

John Biggs AM (Chairman): Let me ask the question. Last year, the sky was going to fall in if there had been a freeze in real terms. This year, it is quite affordable. What has changed?

Boris Johnson (Mayor of London): No, the Labour policy has changed. I will tell you what has changed. The Labour policy has changed.

John Biggs AM (Chairman): No, what has changed?

Boris Johnson (Mayor of London): The Labour policy has changed. Labour was in favour --

John Biggs AM (Chairman): No, it is your policy that has changed.

Boris Johnson (Mayor of London): My policy has had a very small inflection, actually totally in line with what I have always said, which is that if possible we would bear down on fares and that is what we have done. I am delighted that you have accepted that the Labour policy, which was to take 7% off fares and to massacre our ability to invest in transport, was complete nonsense. I do not know why you did not say that before the election. Why did you not say that before the election?

John Biggs AM (Chairman): I do not think we have ever said that.

Boris Johnson (Mayor of London): You did. Are you denying that you campaigned on having a 7% cut in fares? For heaven's sake. Does anybody remember what happened? That was your policy, was it not?

John Biggs AM (Chairman): With respect, this is a parody of --

Valerie Shawcross CBE AM: Can I pick up my question again?

Boris Johnson (Mayor of London): Was that not your policy? It is unbelievable!

John Biggs AM (Chairman): Perhaps you need to relax for a while. I am trying to chair this meeting --

Boris Johnson (Mayor of London): There has to be TV footage of you. There has to be a TV debate --

John Biggs AM (Chairman): Mayor Johnson, just try to calm down. We are trying to ask you questions about the fare rises and a smokescreen of talking about what happened in the past when people were defeated in elections does not really help with this.

Darren Johnson AM: We have no interest in [former Mayor of London] Ken Livingstone's policies. He lost the election. We have no interest in them as the Budget Committee.

John Biggs AM (Chairman): We have no interest. We are interested in your decision.

Boris Johnson (Mayor of London): You were at the time.

John Biggs AM (Chairman): Look, we are elected --

Boris Johnson (Mayor of London): You thought they were jolly good at the time.

John Biggs AM (Chairman): The taxpayers of London pay serious money for you to be held to account by us and our job is to hold you to account. It is not Punch and Judy. We are asking you a question about what has changed. It is perfectly respectable for you to say, "The politics changed".

Boris Johnson (Mayor of London): OK, let me give you the serious answer. Can I just give you the serious answer? Nothing has changed. I said at the election that I would bear down on fares. That is what I have done. End of story.

Valerie Shawcross CBE AM: Yes, one last question, if I may. Are you going to publish your fares information and advice from TfL so that we can see it, please --

Boris Johnson (Mayor of London): No.

Valerie Shawcross CBE AM: -- and so that Londoners can see it, please, and so that they can test the validity of your reply to that or non-reply to that question?

Boris Johnson (Mayor of London): We go around this every year and we do not believe that it is necessary. The arguments are very well set out in the business plan. There it all is.

Valerie Shawcross CBE AM: OK, but what you have done does not fit with the business plan, which is why I am asking you for your most recent advice from TfL about the fares. Could we see it, please?

You have been very open about your commitment to transparency and it would be a useful and transparent thing to do to publish the advice you received when there has been such a degree of confusion and urgent change in the current fare-setting process.

Boris Johnson (Mayor of London): If you want, I can dictate now how the conversation went and you can take it down. You will get it. All I needed to satisfy myself upon was that the fare package would enable us to deliver all the investment we needed, it would enable us to go ahead with the modernisation of the Tube, that it would enable us to run the best bus service in the world and that the cost to TfL would not be unacceptable. I had to look at that and think about that and I came to the conclusion that it worked. It enabled me not only to continue with the investment that we have but also to fulfil my pledge to London to bear down on fares and that is what we have done.

What I said at the time we made the announcement before Christmas was that I did not expect people to be dancing in the streets about the package because it was not a massive cut. It was not a sensational reduction in fares. I do not believe that is affordable. What we have done is held them down as much as we can and that is the reasonable thing to do. I think we have found the right balance and that is what I was elected to do.

Valerie Shawcross CBE AM: You will not be publishing, then?

Darren Johnson AM: It will all be published by the new Mayor when he steps down. It always happens.

John Biggs AM (Chairman): Currently as Chairman, but also as an individual, I have a request made of the Information Commissioner to explore this further because there is a question in law whether it is reasonable for you to withhold this information.

Boris Johnson (Mayor of London): I do not know why you are so obsessed with this. There is nothing sinister about it.

John Biggs AM (Chairman): Probably because it is one of the fundamental planks of how you spend £13 billion of Londoners' money and we have a duty on behalf of Londoners to understand how those decisions are made. It is a very simple question: was the decision you made in accordance with the advice you received from TfL?

Boris Johnson (Mayor of London): Of course.

John Biggs AM (Chairman): Of course? OK.

Richard Tracey AM: Mr Mayor, will you be looking for additional savings from TfL for 2014/15 to allow you to think about holding the fares down again next year?

Boris Johnson (Mayor of London): I will make my decision about next year's package in due course.

Richard Tracey AM: What about additional savings? That was the first part of my question. Are you looking for additional savings?

Boris Johnson (Mayor of London): We are always looking for savings, Richard, and we will continue to do so. We have taken huge amounts of savings out of TfL budgets and we are going to continue to do that. Indeed, we are looking for more sponsorship.

Richard Tracey AM: To be specific, last week I asked about that but, actually, it is a different one. I asked [Sir] Peter Hendy [CBE, Commissioner for Transport] and Steve Allen [Managing Director, Finance, TfL] last week about pension reform, which you have also heard from the GLA Conservatives

about. What about that? Are you pushing for further work on this really rather over-generous pension scheme that TfL has which is not in line with any other public sector pension schemes?

John Biggs AM (Chairman): Not as generous as MPs', I do not think.

Boris Johnson (Mayor of London): All these matters are being looked at; it would be fair to say.

Richard Tracey AM: Can you be a bit more specific? Are you really pressing them on this one? We have asked you questions in the Plenary Assembly about this, too.

Boris Johnson (Mayor of London): You have. We are pressing them on all areas. We are pressing. It is something like a mattress when you are managing to press on every area at once. That is what we are doing.

John Biggs AM (Chairman): There could be a low joke at this point, but shall we move on very quickly?

Stephen Knight AM (Deputy Chair): I wonder if, Mr Mayor, you could clarify something you said earlier. You said that deciding to peg fares to RPI rather than RPI plus 1%, the Government had followed your lead. Indeed, I think you said they had mimicked TfL.

Boris Johnson (Mayor of London): Yes.

Stephen Knight AM (Deputy Chair): Are you saying, therefore, that rail passengers from Cornwall to Corby have Boris Johnson to thank?

Boris Johnson (Mayor of London): I am.

Stephen Knight AM (Deputy Chair): You are very clear that they would not have had it had it not been --

Boris Johnson (Mayor of London): Absolutely. By the way, I have absolutely no doubt about it whatever.

Stephen Knight AM (Deputy Chair): OK. That is very interesting. Thank you very much.

John Biggs AM (Chairman): Presumably, north of the border --

Boris Johnson (Mayor of London): They were not going to do it.

Darren Johnson AM: One of the problems that this Committee has with TfL's budget submission is that there is always far less detail than the other functional bodies. Some of the detailed information requested in your own budget guidance is not in TfL's business plan. That includes annual savings targets, details of the costs of all new initiatives, service improvements, details of plans to use reserves and a breakdown of planned expenditure on the capital programme. Are you happy that TfL is not complying with your own budget guidance and fails to provide a budget submission that includes the information requested?

Boris Johnson (Mayor of London): I understand the complaint that you make, Darren. The intention really is not to try in any way to short-change the Committee but just to reduce the explosion of bureaucratic effort. There is a comprehensive business plan that sets out what TfL is doing there. That is a very valuable and useful document and it seems a shame to ignore it.

Darren Johnson AM: We get the impression that TfL seem to just throw together a set of figures for the budget submission, which often does not seem to bear much relation at all to what is actually spent

over the course of the year. It just seems like a bureaucratic hurdle they go through rather than a meaningful budget support.

Boris Johnson (Mayor of London): I do not think that is true. There is a lot of work between TfL and the GLA team - Martin [Clarke] and David [Gallie] here on my left - to get the TfL figures so that they are in harmony in presentational terms with the rest of the GLA budget documents.

Darren Johnson AM: One of the areas that is particularly missing in detail is on the cycling programme.

Boris Johnson (Mayor of London): Yes.

Darren Johnson AM: I understand once more that TfL are forecasting a large under-spend on cycling. I think again and again each year we have this problem where yourself and Andrew Gilligan [Cycling Commissioner, GLA] announce some impressive sounding figures for the cycling budget, and then the reality is there is a massive under-spend on that. At the time when we absolutely need investment to make our roads safer, all the public concern about those being killed and seriously injured, yet the published cycling budget bears very little resemblance to the money that is actually spent over the course of the year.

If we look at: 2013/14 £111 million in the budget, £77 million actual spend; 2012/13 £101 million in the budget, £81 million actual spend; 2011/12 £94 million in the budget, £82 million actual spend. You are announcing these very impressive figures and then not following it through with the investment that is actually needed.

Boris Johnson (Mayor of London): That is not right because obviously there is movement between years and the money committed will be spent on cycling. I mean you are right to --

Darren Johnson AM: There is a big under-spend every year. Every year there is that big under spend.

Boris Johnson (Mayor of London): We are pushing out a huge amount of money on cycling and on improving safety in cycling. You are right to mention that that is a big cause for public concern. For the sake of completeness, if I could just remind you that cycling deaths have fallen even though the number of cycling journeys has massively risen. In 2002 there were 118 million bike journeys of which 20 ended in death. By 2012 the number of journeys had gone up to 209 million and 14 ended fatally, tragically, and that was true of course of 2013. We had the same number last year. If you look at the number of deaths on London's roads in the last five years the aggregate number is 17% fewer than in the previous five years. What we are certainly doing is investing massively - a £913 million investment - in cycle safety measures, some of them very, very ambitious indeed.

Darren, I am not going to pretend to you that I do not sometimes share your impatience, and I am not going to pretend to you that if I could snap my fingers and see all the --

Darren Johnson AM: I want to help you on this, genuinely. I want to see that money spent in and invested in improving safety.

Boris Johnson (Mayor of London): I understand. I want to see a huge number of improvements done. What I do not want to see is us rushing into ill thought out schemes that do not actually deliver long term results. We are going ahead now with the Quietway scheme. We are going ahead with an expansion of the Superhighway network. We are doing all sorts of things to improve junctions and roundabouts, as you know.

I hope very much that by the end of my mayoral existence there will be very, very visible changes to cycling in London. I hope that the numbers who enjoy cycling in London will rise. You cannot do that without very careful traffic engineering.

Darren Johnson AM: I understand the logistical challenges but each year you announce these impressive sounding investment plans for cycling and then the money is massively under spent. That is not because the work is being done more efficiently; it is simply because the work is not being done as planned because TfL are massively under spending each year.

Boris Johnson (Mayor of London): That is a point by the way that you might make across all TfL capital budgets. That is a point indeed across all Government capital budgets. That is a fact of life. I share your impatience, I am not minimising this point. I know Andrew Gilligan and Peter Hendy [Commissioner of Transport for London, TfL] do as well. They want to get on with it as fast as anybody. You cannot just water cannon money at projects and hope that they will go right. You have to make sure that they are genuinely going to deliver the changes you want.

Darren Johnson AM: You agree it is a legitimate role then for this Committee and for the Transport Committee --

Boris Johnson (Mayor of London): I certainly do.

Darren Johnson AM: -- to keep up that pressure on TfL to ensure that investment programmes are actually delivered and not simply announced?

Boris Johnson (Mayor of London): I do, and I am grateful.

Darren Johnson AM: Just on the issue of the statistics, I do not want a big row about statistics but you do agree that statistically - including deaths and those seriously injured - is a far more reliable indicator. The number of deaths that we are talking about is comparatively small anyway, and so much of whether someone lives or dies depends on medical intervention and so on. The reliable indicator on safety is deaths and serious injuries, which are rising and which are a concern. You do accept that, don't you?

Boris Johnson (Mayor of London): I think all injuries that are sustained in the course of cycling, every serious injury and every death is one too many. It is very important that the public should know that cycling has been getting safer if you look at the number of deaths on our roads and that is a point I am going to continue to make. I think sometimes it gets lost in the very understandable anxiety that people have. My job is to give people the data insofar as I have it, but above all to invest in the long term improvements that will make a difference.

Darren Johnson AM: One final question on the cycling issue. Will you ensure that TfL publishes information about its planned budgets and implementation for your cycling vision?

Boris Johnson (Mayor of London): Publishes the implementation for --

Darren Johnson AM: Information about the planned budgets and implementation for the cycling vision that you have launched.

Boris Johnson (Mayor of London): You are going to be seeing a lot more over the next few months about what we are spending on and what we expect to do and what it is meant to achieve.

Darren Johnson AM: Will we see a detailed break down?

Boris Johnson (Mayor of London): I am not exactly sure what you are after there, but you will certainly see a lot of more granular detail about what cash is being allocated for what project and how it is announced.

Darren Johnson AM: When are we likely to see that?

Boris Johnson (Mayor of London): We have a series of cycling announcements, haven't we?

David Gallie (Assistant Director of Group Finance, GLA): Yes. We have already replied in detail to your office around the sums of cycling spend in 2013/14 and 2014/15, and I am sure we can improve that information.

Darren Johnson AM: OK. Thank you. We look forward to that. Then a final question on the information generally. My initial point about TfL not publishing all of the information that is requested in your budget guidance, can you ensure that that is published when you publish your draft consolidated budget on 29 January 2014? That we have that extra detail in.

Boris Johnson (Mayor of London): Is that on the cycling or --

Darren Johnson AM: No, generally, we want to see the same standard and quality of information for the TfL budget as we see for the other functional bodies. TfL are failing to provide information that is in your budget guidance at the moment.

Boris Johnson (Mayor of London): What I can certainly tell you, Darren, is that if we have such information within that delay then we will of course make it available. If TfL have the kind of stuff that you want then we will do so.

Darren Johnson AM: As a general principle, you agree that TfL should be providing the information that is requested in your own budget guidance?

Boris Johnson (Mayor of London): I understand the point. I am certainly in favour of the maximum possible scrutiny of the budget and of there being conciliation between the presentation of these budget items. We will do our best to supply all the data that you want. If there is some stuff that we simply do not have then obviously we cannot supply it.

Darren Johnson AM: OK. We look forward to more of that information being provided in the draft consolidated budget at the end of the month then.

John Biggs AM (Chairman): Martin [Clarke], you are the Executive Director for Resources, so your job is to pull together the budget stuff and to ensure that it is compliant with the requirements that City Hall makes of this. This is not a trivial point as Darren has labelled it as well. We need TfL to give us the same detail in their budget of the savings they are expecting, the new initiatives and service improvements, their approach to reserves and their capital proposals, as for any other part of the GLA family, and yet they do not do that. Therefore, you must be rather frustrated. What are you doing to make sure that they are compliant in future with that or by the time we have the final budget?

Martin Clarke (Executive Director, Resources, GLA): As the Mayor says, we have a lot of dialogue and meetings with TfL to take their business plan for their business planning purposes provided for the budget and Council Tax setting purposes at the GLA. Some of the difficulty is often on timing and we will be going back, so it is an ongoing thing. Until they come to prove their detailed budget in March 2014 we continue that dialogue to get the consistency that we all want.

John Biggs AM (Chairman): We have a sort of 'Tweedledum/Tweedledee' problem here, I suppose, where we have a Mayor who is the Mayor who says, "You will comply with my guidance" and then we

have the Mayor who is Chair of TfL who says, apart from TfL, “As a consequence of that we do not actually have the same degree of transparency or understanding”.

Martin Clarke (Executive Director, Resources, GLA): I do not think it is really non-compliance. We are trying to make sure that both the Mayor and the Assembly get as much detail as they need to take the decisions that will be taken, which is setting the Council Tax requirements for the germane public bodies.

Boris Johnson (Mayor of London): There may be commercially --

John Biggs AM (Chairman): Is this Tweedledee or Tweedledum speaking?

Boris Johnson (Mayor of London): As you know, we have a ‘doctrine of the Trinity’. I incarnate all. I am three in one; one in three.

Boris Johnson (Mayor of London): We, MOPAC, TfL, whatever, GLA, there may be things in the TfL budget that are commercially confidential or have not been approved by the board that we just cannot give you, Darren. But we will do our best to be as transparent as possible.

John Biggs AM (Chairman): OK, if we could move on to housing and we can welcome Jamie Ratcliff [Assistant Director Programme, Policy and Services, GLA] who has come as later reinforcements to your case, Mr Mayor, who can answer technical questions on housing.

If I can start the ball rolling, we are obviously all very keen about housing numbers and completions in London. You have set what is called nowadays a drop dead date of 2015 for completions. It is fairly widely professionally recognised that this has created a sort of perverse incentive and could cause blockages in the completions.

Boris Johnson (Mayor of London): People are delaying completions in order to get hold of new dosh you mean?

John Biggs AM (Chairman): Something like that, yes. Therefore, we recommend as a pre-budget report that you should have a slightly ‘squidgier’ drop dead date.

Boris Johnson (Mayor of London): You want us to be squidgier?

John Biggs AM (Chairman): I think in order to achieve better outcomes, yes.

Boris Johnson (Mayor of London): OK, well, look --

John Biggs AM (Chairman): You have rejected that, so what are you going to do to make sure you reach your targets by the date required?

Boris Johnson (Mayor of London): Obviously, we are looking at the delivery pipeline at the moment. I think we are still just about on target to deliver 55,000. It will be tough but we do not consider your suggestions - helpful though they are - are necessary yet.

John Biggs AM (Chairman): Therefore, you are going to meet your targets. This has been rehearsed in many other places. You are confident of your targets which you set very great store by?

Boris Johnson (Mayor of London): It is going to be tough but we are confident. I think we are confident we are going to do it. The housing team have been working flat out and they are doing a brilliant job and I think we are going to do it.

John Biggs AM (Chairman): OK. What are you doing to ensure you achieve the targets? This may well be where the ever helpful Jamie Ratcliff will rescue you from lack of detail.

Boris Johnson (Mayor of London): I am obviously grateful – as ever – for the peerless support that is offered by GLA officials. Jamie, if you want to say something about this to help the Committee.

Jamie Ratcliff (Assistant Director Programme, Policy and Services): Yes, I guess there are two points on this. The point that was raised by some people was that they were not prepared to start on a scheme if they were uncertain that it might complete by March 2015, which could then act as a disincentive for them to start. We are reviewing all schemes on a regular basis with all our partners looking at the build construction timetables and making sure that we can hit the deadlines that we have agreed with them, and we do not believe that it is acting as a disincentive at the moment, so there is not the need to make this change at the moment.

The other important thing to be aware of is the fact that we published, a little bit before Christmas, the funding prospectus for the 2015 – 2018 period with £1.25 billion associated with it. That does allow people to complete homes in the post-2015 period, as indeed did previous mayors' housing covenant programmes. We have been addressing it from both sides of managing carefully the delivery up until 2015 and building opportunities for people to bid and complete homes post-2015.

John Biggs AM (Chairman): OK. Insofar as I understood it, that sounds like a plausible explanation.

Boris Johnson (Mayor of London): It means that the disincentive to complete before 2015 is compensated by the £1.25 billion that is available for projects after 2015.

John Biggs AM (Chairman): Is there a below the tables risk that what is happening is that Affordable Housing for Rent schemes are being substituted by low cost ownership schemes, and that this will therefore address a different demographic in London's housing need?

Boris Johnson (Mayor of London): No. As far as I know, we still have a very considerable proportion for affordable rent.

Jamie Ratcliff (Assistant Director Programme, Policy and Services): Yes. The vast majority of the programme of affordable homes for rent and the London plan sets out a 60/40 split between rent as opposed to intermediate homes. We will actually achieve more rented homes than that.

Darren Johnson AM: What was the result of the 2015 to 2018 housing settlement and which Londoners will benefit from the GLA's new funding programme?

Boris Johnson (Mayor of London): The 2015 – 2018 settlement will deliver for the GLA – as Jamie has just said – £1.25 billion of support for the delivery of 42,000 homes. Obviously there will be a variety of tenants but it will benefit Londoners of all kinds: people who need social rent, people who need mixed tenure, and we intend to be very, very aggressive in driving that on. We are still working hard to get a £200 million fund for a London housing bank to help us deliver 3,000 more homes. We are just finishing discussions about a £145 million fund – Decent Homes, is it?

Jamie Ratcliff (Assistant Director Programme, Policy and Services): Yes.

Boris Johnson (Mayor of London): This is the Decent Homes scheme of 2015/16 to improve 9,500 council homes.

Darren Johnson AM: Are you clear now, in terms of the settlement, how the money will be split across different programmes?

Boris Johnson (Mayor of London): I cannot give you the breakdown now, but I imagine the housing team do have a pretty good idea of how the --

Jamie Ratcliff (Assistant Director Programme, Policy and Services): That was the breakdown - as the Mayor just outlined - £1.25 billion for mainstream affordable housing, hopefully up to £200 million fund for a London housing bank and we think almost concluded the £145 million for Decent Homes.

Darren Johnson AM: The mainstream affordable housing how does that split between the intermediate and social?

Boris Johnson (Mayor of London): I think 60/40.

Darren Johnson AM: It reflects a similar theme that I brought up with the cycling investment in the last round of questioning, that we have seen under-spends on the social housing fund that has then been transferred to the intermediate fund. Is that not skewing things even further with your 60/40 split because of the way the under-spends have been allocated?

Boris Johnson (Mayor of London): No. I do not see any reason why that should be the case, no.

Darren Johnson AM: Can you at least ensure that if there are over-spends there that they are carried over. That they follow the formula that you have set out --

Boris Johnson (Mayor of London): No, I understand. Yes.

Darren Johnson AM: -- and do not skew it even further.

Jamie Ratcliff (Assistant Director Programme, Policy and Services): I think the key point on that is that the affordable homes programme, which was inherited from the Homes and Communities Agency (HCA) actually started with a 76/24 split, which is not the same as what is set out in the London Plan or the Mayor's priority, and there has been some rebalancing to get closer towards the 60/40. Going forward the target is 60/40 in accordance with the London Plan.

Boris Johnson (Mayor of London): That is 60% rent and 40% intermediate, just for clarity.

Darren Johnson AM: Going forward then that 60/40 will be followed through and under-spends will not be allocated out of the --

Boris Johnson (Mayor of London): As far as the under-spends will be allocated they will --

Darren Johnson AM: They will reflect the priorities?

Boris Johnson (Mayor of London): Yes, or to achieving the priorities.

Darren Johnson AM: OK.

John Biggs AM (Chairman): Stephen, you had a supplementary on that.

Stephen Knight AM (Deputy Chair): I do. At the recent Mayor's Question Time I asked you whether you were talking to Government about increasing borrowing limits to finance affordable housing.

Boris Johnson (Mayor of London): Yes.

Stephen Knight AM (Deputy Chair): You said that you were very keen to negotiate increased borrowing limits with Government. Could you update us on any progress that you have had negotiating higher borrowing limits with Ministers?

Boris Johnson (Mayor of London): We are making some progress. It is not easy. The Government is obviously apprehensive about anything that increases public borrowing, right? Therefore, that is the problem we have to deal with. They are trying to get the deficit down. You understand their point of view. I happen to think that it is absolutely a no-brainer to give councils, which have all these assets that they can borrow against, more scope to do so. I think it makes sense to give us more scope to borrow. I think you have to do it carefully. I do not think we should rack up huge debts but I do think there is a very clear case for this and what I can tell you is that a detailed conversation is underway and I think it is fair to say that some progress is being made.

Stephen Knight AM (Deputy Chair): Do you expect to make any progress this year in terms of the borrowing limits you negotiate with Government being any higher than previous years?

Boris Johnson (Mayor of London): I do not think it will be for this financial year but I hope that it will be for the next financial year.

Stephen Knight AM (Deputy Chair): When you say “this financial year” and “next financial year” you hope it will be for the next financial year 2014/15 or you mean the following financial year?

Boris Johnson (Mayor of London): I think, realistically, we are talking about 2015/16. That is my hunch but obviously we are pushing it, yes.

Stephen Knight AM (Deputy Chair): These are limits negotiated with Ministers. They are not statutory limits on your borrowing because the statutory limit is presumably the normal prudential borrowing rules?

Boris Johnson (Mayor of London): Yes.

Stephen Knight AM (Deputy Chair): It depends on what you agree with the Ministers, doesn't it?

Boris Johnson (Mayor of London): Yes. It is what the Treasury will accept. It all depends on their judgement about where they are in bringing the deficit down and how it is going.

Stephen Knight AM (Deputy Chair): Apparently you have had extraordinary success over fares or negotiation with the Treasury. Could you not bring some of your persuasiveness to bear on the issue of allowing you to spend Londoners' money how you think is in their interests? That is all you are asking the Treasury for, is it?

Boris Johnson (Mayor of London): It is. The Treasury obviously have an interest in the overall budgetary position of the country and that is what they will want to take into account. As I say, I think there is a very clear, persuasive argument for giving more freedom to borrow to build more homes. You have the asset. If you borrow against an asset to produce another asset your position, in my view, is very, very secure.

Stephen Knight AM (Deputy Chair): It does seem extraordinary that the Mayor of London has the power, allegedly, to set rail fares in Cornwall but does not have the power to spend your own money as you see fit.

Boris Johnson (Mayor of London): Stephen, no. On the contrary, I think it is highly likely --

Stephen Knight AM (Deputy Chair): Is the power of the Mayor slightly out of step with the power of the Treasury here? Your relationship with the Treasury seems to be --

Boris Johnson (Mayor of London): I am not suggesting that the tail wags the dog. Do not rule out the possibility that we will be successful. What I am trying to tell you - for Stephen to think - is we are

getting somewhere on this. I think we are having some good conversations and I hope it will be productive.

John Biggs AM (Chairman): You will move on to healing the sick next I suppose, but let us --

Boris Johnson (Mayor of London): We do heal the sick. On that point, life expectancy is increasing. Actually one of the fascinating things since this mayoralty began is the disparity in life expectancy - which was such an issue - is starting to diminish and that is an extraordinary thing.

John Biggs AM (Chairman): No, you are right, so when you have gone we will probably all drop dead. I do understand that,.

Stephen Knight AM (Deputy Chair): Yes, the next question is around use of GLA land. Clearly you have an over-arching priority to build affordable housing. You have said many times I think in the past that you would like to see more affordable housing building on GLA land.

Boris Johnson (Mayor of London): Yes.

Stephen Knight AM (Deputy Chair): Yet obviously we have spoken to some of the functional bodies who hold this land and Stephen Greenhalgh [Deputy Mayor for Policing and Crime], for instance, told us that he was under instruction - presumably from you - to get maximum value from disposal of surplus land, irrespective of what use it was going to be put to. The one person who sits above all the functional bodies, in their silos making decisions to maximise receipts for their own budgets, is you as Mayor.

Boris Johnson (Mayor of London): Yes.

Stephen Knight AM (Deputy Chair): Take the case of a redundant police station. Would you be happy for it to go for a --

Boris Johnson (Mayor of London): Say that again, a police station?

Stephen Knight AM (Deputy Chair): Say a police station, would you be just as happy for it to go to become the London pad of an oligarch rather than provide 50 homes for Londoners?

Boris Johnson (Mayor of London): I do not think that is --

Stephen Knight AM (Deputy Chair): Presumably, you would take a view as to which of those was preferable?

Boris Johnson (Mayor of London): I certainly would. Do not forget that functional bodies are under a statutory obligation to get the best consideration for their assets. That is in the law. However, clearly it is my job to make sure that within that framework we are using our assets to deliver Londoners' priorities. Londoners' priorities are homes for Londoners. By the way, there are also better schools, more schools for Londoners. There are all sorts of things that we need to satisfy.

Stephen Knight AM (Deputy Chair): You are in a strategic position to take a strategic view about the best value requirements, and to say that the best value overall for Londoners might be providing affordable housing on a particular site. That priority might override the simple maximising receipt requirement that that functional body might take?

Boris Johnson (Mayor of London): Yes, absolutely, but this is always a trade-off.

Stephen Knight AM (Deputy Chair): Indeed it is, but we have been told --

Boris Johnson (Mayor of London): Just so you understand where I am coming from, I will not want to be readily forsaking huge sums of cash that is basically owed to Londoners. We would want to satisfy the objectives – which I am sure we all share – about building more homes but we would not want to throw away land.

Stephen Knight AM (Deputy Chair): There are always competing programmes, are there not, between maximising receipts, between providing affordable homes? These are competing priorities --

Boris Johnson (Mayor of London): They do not have to be.

Stephen Knight AM (Deputy Chair): -- but you have an over-arching strategy, and you tell us one of your key objectives is providing more affordable homes. You must sit above all these competing priorities, presumably, and take a view.

Boris Johnson (Mayor of London): Yes.

Stephen Knight AM (Deputy Chair): Will you talk to your Deputy Mayor for Policing [Stephen Greenhalgh] because he told this Committee just last week that, as far as he was concerned, he was under instruction – presumably from you – that his priority was solely to get maximum receipt from the disposal of assets and that other priorities, such as providing affordable housing, did not figure in his decision-making. Clearly, if that is the case, we have different views here. You must presumably have to revise your instruction to him to make it clear that there are wider priorities.

Boris Johnson (Mayor of London): I do not think there is much of a conflict here between these objectives, as you are suggesting. You can maximise the new housing and maximise receipts at the same time. Those two objectives do not have to be in conflict. Possibly what is more difficult is when it comes to a new school, where there is an asset that could be housing or could be a school and the difference in the yield will be very substantial. We have to make a decision. London needs more schools. We have a huge increase in the school age population. The toss up will be how much receipt you can forgo in order to satisfy that objective.

John Biggs AM (Chairman): We do need to move on because we are up against the clock, but I think to be fair to the Mayor, which is my job always --

Boris Johnson (Mayor of London): Plus your instinct, your natural instinct.

John Biggs AM (Chairman): To be fair, clearly, you could have issued budget guidance that required them to look through these options and it would appear that you did not. I am not saying that you recklessly did not but you could have issued budget guidance that said, “Look at disposables for affordable housing as part of your mix”. Equally, if you are expecting to generate capital receipts to invest in other things then if the money does not come from market disposals then it has to come from somewhere else. Therefore, you would have had to indicate where else it might come from, so it is complicated. Can we move on to your final question, Stephen?

Stephen Knight AM (Deputy Chair): Indeed, and that is around your ambition to be responsible in London for overseeing and managing the disposal or surplus land generally from the public sector.

Boris Johnson (Mayor of London): Yes.

Stephen Knight AM (Deputy Chair): Can you update us on your negotiations with the Government on this?

Boris Johnson (Mayor of London): Yes. Ed [Lister] has been talking to the Government for a while about this. We are having some quite positive discussions and we hope to have a firmer view about this in the spring, so we will keep you posted.

Stephen Knight AM (Deputy Chair): In the spring. Can you be any more specific than that?

Boris Johnson (Mayor of London): I am afraid I cannot.

Stephen Knight AM (Deputy Chair): Are negotiations positive? Are you getting a positive flavour?

Sir Edward Lister (Chief of Staff and Deputy Mayor for Planning, GLA): Negotiations are positive.

Boris Johnson (Mayor of London): I am informed by the great Sir Edward that negotiations are positive.

John Biggs AM (Chairman): OK. "The great Sir Edward". Is that a promotion?

Boris Johnson (Mayor of London): Well, you know ...

John Biggs AM (Chairman): But it is not intrinsically part of our budget process and it may be of a budgetary neutral nature I suppose. It would be nice if they gave us the land and let us spend the money as well.

Boris Johnson (Mayor of London): Yes.

John Biggs AM (Chairman): Let us wait and see. You are angling for that, are you?

Boris Johnson (Mayor of London): We think there is a very obvious strategic role for London. It is a good fit. We think we should be doing it

John Biggs AM (Chairman): If we could move on then to the final section, which is about looking forwards. You get some of the income but you do not have control of the business rates in London. Would you be following the same decision of the Chancellor on business rates?

Boris Johnson (Mayor of London): I do not control business rates, unfortunately.

John Biggs AM (Chairman): No, I know you do not but ...

Boris Johnson (Mayor of London): My view is that business rates are too high.

John Biggs AM (Chairman): Right, so you would want to reduce those?

Boris Johnson (Mayor of London): One of our arguments, as you know, is that we think that the suite of five property taxes should be devolved to London, both at GLA and borough level.

John Biggs AM (Chairman): If they were devolved to London then on your watch they would be lower?

Boris Johnson (Mayor of London): I think you could certainly look at a rebalancing of the suite of those taxes and I think, in my view, business rates are too high. I do not know what you feel but I go around and talk to every high street in the city, and every business I talk to feels this. I think it is time we did something about it.

John Biggs AM (Chairman): I always encourage my businesses to appeal because they have a right to do that and it is an opportunity for them to do that.

Boris Johnson (Mayor of London): Are they successful?

John Biggs AM (Chairman): Quite often they are, yes. With my other hat on, of course. You have another hat, as Mayor – many hats, ‘the Tweedle hat’ – and then you need to secure income in order to invest in London’s services and it is clearly a balancing act that we will debate another time.

Boris Johnson (Mayor of London): That is true.

John Biggs AM (Chairman): If we talk finally then about your ambitions for the remainder of your mayoral term. You have guidance and you have overall targets, but are there any other particular themes that you are moving towards?

Boris Johnson (Mayor of London): I would just direct the Committee back to the document we published last year, the 2020 Vision, which set out very clearly I think what we want to do with the resources and the programmes we have. There is a massively ambitious programme to continue infrastructure investment; to continue to promote new infrastructure schemes; Crossrail 2, for instance; the rejuvenation of the huge number of opportunity areas around London; the 33 brownfield sites; the building of hundreds of thousands more homes; making London the leading city in the world, not just financially, culturally and artistically but I think also scientifically. There is a great opportunity for us seeing what is happening in Tech City. The Med City programme is very, very exciting. I think you are going to see a big change in the London economy. London will continue to be at the forefront of the high value added sectors where we lead the world.

I would want to see, I hope by the end of my mayoralty, that there will be a fantastic transformation of the Olympic site that will have a huge physical legacy from those games. Something I know you have thought and campaigned about for a long, long time, John, real changes and massive changes in East London. Yes, we need to do more on river crossings in that part of the city as well. I fully accept that. The Garden Bridge will be there or thereabouts, coming towards the end of my mayoralty. All sorts of things are in prospect. The only clouds on the horizon for me are the challenges facing young people in getting into work and in raising their skills and raising their aspirations. That is why a lot of the focus in the last couple of years has been on trying to expand the role of the mayoralty in education, in championing excellence in the things that Munira Mirza [Deputy Mayor for Education and Culture] leading on with the Gold Club and the London School’s Excellence Fund. All that kind of thing.

We do not have huge budgets but we do have a leadership role and I think the London Challenge work was terrific. We need to continue to build on that. It is a fascinating thing that London schools are now – on average, in their results – doing better than schools in other parts of the country. That was certainly never the case when I was a kid. Things are really turning around but we need to build on it.

John Biggs AM (Chairman): I am delighted to hear most of that. As a member of the Finance Commission, I was personally party to many of its recommendations and hopefully we will see progress on those. Do you have ambitions of rolling out the Finance Commission’s recommendations? Obviously the infrastructural plan is going ahead.

Boris Johnson (Mayor of London): I should have mentioned the infrastructural plan. I hope that will be a very useful piece of work. It would be fair to say it is having quite a tough gestation. It is not easy to produce this kind of thing but it will be there. It will be a valuable guide to the stuff we need to do, and it will flow from the 2020 Vision. I hope it will command maximum possible support in London and give us a campaigning agenda, give us something to slap on the table of Government and say, “Come on, this is the way to big up the British economy. If you want to drive jobs across the country, which is what London does, then here is how you could do it”.

John Biggs AM (Chairman): Remarkably I agree with every word that you have said. Are there final questions from Members on this final section? There you are you have got off very lightly.

Boris Johnson (Mayor of London): I do not know about that. It was an acrimonious session.

John Biggs AM (Chairman): Not really. It was a jolly morning stroll, I would say.

Boris Johnson (Mayor of London): OK. Thank you very much.

John Biggs AM (Chairman): We will write and seek some clarification on two or three of the points and we thank you for your answers, insofar as you gave them.