

Budget and Performance Committee – 19 November 2013**Transcript of Agenda Item 5: Draft GLA Budget 2014/15**

John Biggs (Chairman): That takes us to the main item which is the draft Greater London Authority (GLA) budget. Just to whet your appetite, we have a well-known series of guests here and I thought we would start by asking Sir Edward for a short introduction to the draft budget.

Sir Edward Lister (Deputy Mayor and Chief of Staff): Thank you very much, Chairman, and thank you for giving us the opportunity to talk about the budget. As always, I think I have to preface my remarks by saying it is still quite early in the public process and I will touch upon one or two of the unknowns that we have, just to set the scene, if I may.

The first one is - and I am sure everybody has noted it - that we basically only have a funding announcement for 2015/16, so we have prepared a budget for two years rather than three years, so that is obviously a consideration. We still have the prioritisation exercise underway. We have not completed that. We are still working our way through it and there are quite a lot of unknowns in there which we are still trying to sort out. However, currently we are showing a deficit of only some £200,000 for 2014/15 and £1.1 million for 2015/16. We can deal with those in due course.

However, the big unknown, the big issue, is the New Homes Bonus. As I think everybody is aware, we had London Enterprise Panel (LEP) funding up until 2014/15. The LEP funding comes to an end that year and it is supposed to be replaced by the New Homes Bonus or, rather, a share of the New Homes Bonus. The boroughs, quite understandably, are kicking up about losing the New Homes Bonus because they feel that they have generated it. They were targeted for it. It was promised to them. I do not think I need to repeat the borough argument because I think it is known. I suppose you could argue that some of it is driven by the Homes and Communities Agency (HCA) grant which has come through the GLA. You could put an argument the other way. Be that as it may, the fact is we do not know whether we are going to get our share of the New Homes Bonus or not and that is worth some £88 million a year, rising to over £100 million in 2016/17, so it is a very significant sum of money.

John Biggs (Chairman): That will be just to the GLA?

Sir Edward Lister (Deputy Mayor and Chief of Staff): That would just be to the GLA. That is, if you like, the replacement money. It is the regeneration money that would be coming to us.

We are not alone with this problem. Every Local Enterprise Panel in the country has exactly the same issue, but this uncertainty gives us quite a bit of concern. The uncertainty is in two ways. First, if you do not get this money, what is the point of having a LEP? It will not have anything to do if it has no money, apart from a small sum from an Enterprise Zone at the Royal Docks. That is true across the country. On the other hand, if you take the New Homes Bonuses away from the boroughs, it is going to create quite a hole in their budgets. I am sure that some way down the line a deal will be done and money will be found for the LEP. However, the trouble is, if we do not get the money and do not have notification of it at an early enough stage, we obviously have to fairly soon start dismantling a number of programmes because, if you do not have the money, you have to start making contingencies the other way. That is a big unknown in the system and we are obviously doing some work. The Mayor will be seeing the Chancellor [of the Exchequer, George Osborne] shortly. He has

written to the Chancellor about it and that is being chased through, but just at this moment in time, as of today, it is an unknown.

Another one is the London Legacy Development Corporation (LLDC). We have an issue in 2015/16 whereby the LLDC is being treated as a non-government agency and therefore cannot recover Value Added Tax and that is worth £2-3 million a year. We are, again, trying to lobby for that to be corrected and that is in the system. Compared to the £88 million, it is pretty minor, but it is significant, so that is there.

I suppose the only other point I would make is that, as far as Martin Clarke [Executive Director of Resources] is concerned, he has a series of unknowns over the business rate monies that will come to us and is having to make quite a few contingencies for that. There are quite a lot of business rate appeals out there at the moment. We are in a new system. I do not think any of us doubts that over the course of time the amount of money we get from business rates will steadily increase, but for now we have unknowns in the sense that if the number of business rate appeals is greater than perhaps has been forecast, that is a big hole for us. That also is being sorted out.

That is just a bit of background to the whole thing but, if you put all that aside, the rest of it is fairly good.

John Biggs (Chairman): Good. We can quote you as saying, in a world where most local government feels itself in the heart of a catastrophic whirlwind of cuts, the GLA is relatively mollycoddled. Is that a fair description?

Sir Edward Lister (Deputy Mayor and Chief of Staff): No. Chairman, we obviously have to tighten up and --

John Biggs (Chairman): I am just being mischievous, you understand.

Sir Edward Lister (Deputy Mayor and Chief of Staff): It is not easy out there and I think all the officers are conscious of the fact that the resources they have are limited and they have to make the most of them.

John Biggs (Chairman): OK. If I could ask you about the LEP, then, and the New Homes Bonus, the other matters are dealt with elsewhere in the questioning. The reality is not just that you have uncertainty but also that you have been criticised - quite rightly, in my view - for lack of progress in spending the LEP money and allocating it, but you cannot programme for multi-year programmes without certainty about funding. I guess that is a problem. I know the Mayor was very unhappy on that first point.

Sir Edward Lister (Deputy Mayor and Chief of Staff): Firstly, if I could just put a little bit of a defence up, if I may, Chairman, the LEP money that we have at the moment is largely committed. It might not be spent, but it is committed. As I am sure Fiona [Fletcher-Smith] will go into later if we go into greater detail, the fact is that the LEP programme is to do with large-scale developments. A lot of it is capital monies. It is to do with long-term planning and therefore these things do take a while for the money to go out the door, but the money is committed. It is not spare money.

John Biggs (Chairman): OK. We can agree to disagree on that one. It may be a matter of fact that it is committed, but it has not been spent yet. A cynical government minister would argue that that suggests you do not really have much need for it.

You can respond to that if you need to, but I had a substantive question which is about the New Homes Bonus and the lack of certainty for planning for the future. I was giving you a helping hand, actually, on this. The LEP, even if it had spent all its money, would have problems with multi-year programmes because of a lack of certainty in future funding.

Sir Edward Lister (Deputy Mayor and Chief of Staff): Completely. I hope in my opening remarks I did set out the background to it, but we need consistency. This goes back to the whole London Finance Commission argument and everything else. We cannot run long-term plans which involve infrastructure, which involve major investments, unless we have certainty of funding over a period of time. The New Homes Bonus, if we had that, would give the LEP a lot of certainty going forward. They could invest wisely. They could over-programme, which would indeed answer your point, if I may, Chairman, about getting more money out the door, so we could over-programme with some certainty of not getting into difficulty. However, at the moment, we are operating in a hand-to-mouth existence and it is more hand-to-mouth than ever because, if the New Homes Bonus does not come, then, quite frankly, the LEP has nothing.

John Biggs (Chairman): OK. If I could indulge myself as Chair with one other question on this which is semi-rhetorical, I seem to recall when the Regional Development Agencies (RDAs) were abolished - and there were all sorts of deficiencies with them - this was broadly welcomed by City Hall. But what it also abolished was a stream of mainstream Government funding for regeneration-type initiatives and we have been left to rely on transport investment as the main arm of regeneration funding. It seems pretty unanswerable to me that the Mayor's Office was wrong-footed in welcoming the loss of funding because, here we are, scrambling around for this New Homes Bonus which the boroughs consider to be their own because one of the thrusts behind the sofa cushion is to find a few pennies to spend on regeneration, having scrapped it in the first place. It was somewhat self-defeating of the Government and it was rather foolish of City Hall to welcome that and we should have lobbied far more assiduously for regeneration funding.

However, it is my birthday, so I thought I would indulge myself with such a peroration. I am sure you would agree with every word of it. You can respond as you like, after which we will move on.

Sir Edward Lister (Deputy Mayor and Chief of Staff): If I may, the point is that the London Development Agency (LDA) did have a very high level of funding. The trouble is the LDA and more particularly the RDAs in general had become badly damaged with some of their spending or some of their programmes. The promise was that we would get replacement monies from the Treasury by various means and mechanisms, and the trouble is we have had those but it has been hand-to-mouth.

John Biggs (Chairman): OK, so you would agree that the absence of a steady stream of funding for regeneration-type initiatives is a continuing problem for London government?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Yes, it is.

John Biggs (Chairman): That is excellent. Thank you.

Stephen Knight (Deputy Chair): What is the latest forecast for business rate income for the current financial year?

Martin Clarke (Executive Director of Resources): At present, we do not have any better estimate available than the shortfall we started with at the beginning of the year, which was £34.6 million, as Sir Edward explained, largely driven by the level of appeals in the system. At present, the Government is asking all local authorities and all billing authorities to complete a return which would provide mid-year estimates. By the time we come to prepare the wider public budget consultation documents, we will have an update available then. Then, at the end of January, we will then get the formal estimates for 2014/15.

Stephen Knight (Deputy Chair): The boroughs must have been doing quarterly returns or at least their own internal estimates, presumably, if not monthly.

Martin Clarke (Executive Director of Resources): The system did not provide for them to provide any returns to Government with the setup, so, with colleagues in the London boroughs and the wider local government community, we have persuaded the Government and helped design this mid-year return.

Stephen Knight (Deputy Chair): Presumably, you must meet with London treasurers and talk to your colleagues in the boroughs. They must have a feel for how things are going, whether they are up or down, at any stage.

Martin Clarke (Executive Director of Resources): What we actually need to know is really probably happening in five boroughs; the City, Westminster, Camden, Tower Hamlets and Hillingdon. They are the boroughs that have inherited a huge backlog of appeals, so part of the process of working with them is trying to engage with the Valuation Office Agency to find out what the progress is. At this stage, they themselves do not have any better information on the results because the appeals are not being dealt with as quickly as they are in the rest of the country.

Stephen Knight (Deputy Chair): These mid-year estimates, you expect to have them by?

Martin Clarke (Executive Director of Resources): They are due in this month. Therefore, when we come to December, we should be able to reflect what they say.

Stephen Knight (Deputy Chair): Will they be public information?

Martin Clarke (Executive Director of Resources): Yes. We would be very happy to provide them.

Stephen Knight (Deputy Chair): Thank you. Given that you have this wide range of possibilities, what sort of scenario planning are you doing around the upper and lower limits or thresholds?

Martin Clarke (Executive Director of Resources): What we started last year was building up what was then called the Precept Resilience Reserve. We renamed it and called it the Mayor's Resilience Reserve because originally it was to do with precept issues but has now obviously widened to cover business rates. We took some decisions last year to increase that reserve with one-off savings we made by capital financing changes we had from how we restructured the LDA debt and Government advance funding. There was a surplus in last year's returns of council tax buoyancy. We have

earmarked that to go into the reserve at this stage, so over three years you will see in the reserves table that increases to about £70 million, which in broad terms is twice the size of an annual deficit. As we get information, we can review and reappraise how much we need to set aside to deal with the potential downsides.

Stephen Knight (Deputy Chair): Your best estimate at the moment is still the £34.6 million shortfall?

Martin Clarke (Executive Director of Resources): Yes, the best estimate in that I have no other figures.

Stephen Knight (Deputy Chair): You have a reserve set aside which will be around twice that?

Martin Clarke (Executive Director of Resources): By the end of 2015/16. When we should get much more certainty is in fact when the billing authorities finalise their accounts for 2013/14, so next summer we will have actuals for 2013/14.

Stephen Knight (Deputy Chair): So next summer. Hopefully, the mid-year estimates will give us a direction of travel.

Martin Clarke (Executive Director of Resources): They will. It is just four or five boroughs that will really give us the direction of travel.

Stephen Knight (Deputy Chair): If we end up with income that is significantly better than this estimate, then you will have potentially a resilience reserve of £70 million which will not be needed and let us all hope that that is the case. Does the Mayor have any particular priority about how that will be spent?

John Biggs (Chairman): You have already spent some of it on the fire budget, actually.

Martin Clarke (Executive Director of Resources): That is the first call. That will come from that source. The Chief of Staff last time when we discussed the budget guidance already said the first call would be the London Fire and Emergency Planning Authority (LFEPA).

Stephen Knight (Deputy Chair): All right. Anything else?

Martin Clarke (Executive Director of Resources): At this stage, working on that estimate, the actual yield, even though it might start from a lower base, will increase by the retail price index (RPI) and in the consultation that the Mayor is doing with the functional bodies at the moment he has allocated that growth out.

Stephen Knight (Deputy Chair): Could you tell me why the figures in the draft budget do not include any growth at all in the business rate yield?

Martin Clarke (Executive Director of Resources): On the current assumption, it would be net nil. The income would go up and the payments go up.

Stephen Knight (Deputy Chair): We would not get to keep --

Martin Clarke (Executive Director of Resources): At this stage, we are not forecasting a surplus in the first year, but that will get adjusted in light of the actual returns that we get.

Stephen Knight (Deputy Chair): All right.

John Biggs (Chairman): Can I just ask a question about appeals? I come across these and I always encourage my small businesses to appeal as a matter of routine because it is a one-way bet, really, if you appeal on your business rates. That must present quite a challenge for treasurers, depending on the behaviour of businesses. You reckon 20% or 30% of them are leading to a significant reduction or what?

Martin Clarke (Executive Director of Resources): At this stage, if you take the larger boroughs, they do have over 30% of their business rate income subject to appeal. At this stage, each treasurer will be taking their own assessment of what the outcome would be, so there is no uniform picture. Also, the decision they will have to take is whether they take appeals that are successful or partially successful all into account in year one or whether they take advantage of the Government allowing them to write off the losses over five years. It will not be really until the end of the year. We are halfway through the first year of a new system.

Stephen Knight (Deputy Chair): Sorry, Martin, I wonder if you can clarify. You said earlier that because of the way the system works the amount retained does not increase just because RPI inflation increases the total take. At paragraph 1.12 of the draft budget, it says:

“Although there are a number of factors that affect the business rate retention yield, funding should rise in line with the annual RPI inflation as the business rate multiplier is uplifted.”

Martin Clarke (Executive Director of Resources): That is correct.

Stephen Knight (Deputy Chair): This suggests that there will be an uplift coming to the GLA of £1.1 million in 2014/15 and £2 million in 2015/16. How does that fit in? That is the business rate retention yield.

John Biggs (Chairman): We only get business rates indirectly. We collect them, we give them to the Government and they give some of them back again.

Stephen Knight (Deputy Chair): Yes, but this is the retention yield. This is the bit we retain, presumably.

Martin Clarke (Executive Director of Resources): Yes. If there was not this shortfall, what I would be saying to you now is we would have an additional £1.1 million. What we are doing is for the GLA, LFEPA and Transport for London (TfL), we will allocate that growth. Then what we are managing through the Mayor’s Resilience Reserve is the starting shortfall. In fact, that shortfall will also grow by RPI if that shortfall is a true shortfall.

Stephen Knight (Deputy Chair): Of course, so, because at the moment your forecast is there is going to be a shortfall, in planning terms you are not building in any of the increase?

Martin Clarke (Executive Director of Resources): No. When we come to the budget proposals in December, we will build in this RPI growth across the GLA group as subject to business rates retention but, for the shortfall, we will cover that risk by the Mayor's Resilience Reserve.

Stephen Knight (Deputy Chair): OK, but you have not done yet?

Martin Clarke (Executive Director of Resources): No, because it would actually be net nil in presentational terms at this stage. Until we have the final budgets, we --

Stephen Knight (Deputy Chair): Until we know what the shortfall is likely to be.

Martin Clarke (Executive Director of Resources): For 2014/15 we are expecting the extra grant cuts to broadly offset it, so it does make an immaterial difference.

John Biggs (Chairman): I think we are being very gentle with you. If I was the Mayor and you were my Director of Resources, I would push you on your likely increased income from business rates. I would not accept this sort of caginess, "We do not know yet", "We will find out in December". I would have a pretty good idea from you of the lowest and the highest and I would be working on my wish list.

Martin Clarke (Executive Director of Resources): You mean you would be working on how you would spend it if you get it?

John Biggs (Chairman): Yes.

Martin Clarke (Executive Director of Resources): At this stage, I am just providing the best estimate of what you could plan and we have a process where we will get better information when we come to the key budget stages, so better information when we come to the wider public consultation. We will then have official returns from the London boroughs in January, which will affect final budget decisions.

John Biggs (Chairman): So we will never actually find out, will we?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Can I come in? In parallel with all this work, we are looking at every bit of our expenditure and we have, as I mentioned earlier, a prioritisation exercise underway where we have identified where we think - and we are still in the process of this - our priorities lie. Obviously, as more money becomes available, we will move further down that list of priorities. I do reassure you, Chairman. As the money is there, we will certainly be getting more projects off the ground.

John Biggs (Chairman): Can you tell us a tiny bit about the process of sorting out the New Homes Bonus thing? The boroughs accept that the Government is going to take half of it away but they would like it to be spent in their own areas. There is going to be a decision. When will that happen?

Sir Edward Lister (Deputy Mayor and Chief of Staff): We do not know when the decision is going to be. It is imminent, but we do not know when. Our greatest fear is that no decision will be taken for some time and that is probably the worst of all worlds because we will go into a period of

uncertainty for quite a time. The trouble is, if we go into uncertainty for too long, that will affect the programmes.

John Biggs (Chairman): Is there a negotiation with London Councils of any kind?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Yes, there is an ongoing negotiation with London Councils. London Councils basically would like to see an 80:20 split with 80% of the money that we take from the New Homes Bonus - our share of it, if you like - is spent in their boroughs and 20% is available to the Mayor to spend across London in accordance with his priorities. That is what they would like. That is the negotiation that is underway. Of course, that negotiation is fine if, of course, that is what happens to the New Homes Bonus and if the New Homes Bonus comes to the GLA. At the moment, that is not certain.

Gareth Bacon (AM): The prioritisation process, Sir Edward. You talked about it in your opening remarks. You have just touched on it there. Can you describe the process you have been following in terms of the prioritisation and how far you have got with it?

Sir Edward Lister (Deputy Mayor and Chief of Staff): We have been going through department by department, budget by budget, trying to prioritise them within that department. Of course, some of those inevitably are things that are committed so you do not have a lot of choice about them, but we have built those lists up. We have not come to any conclusion. We have not tried to bring all the departments together because, until we really know what the total pot is, it becomes a bit academic. We do have a series of issues which we need to sit down with the Mayor and review with him. We need to agree with him what his priorities are so that that gives us further guidance in preparing the lists.

Certainly, our intention is that by the time we come back before the Assembly again we will have sorted this out and we will have a very clear idea where our priorities lie, which schemes are going to be top of the list and which ones, if you like, are hanging out the bottom and are only going to happen if the resources become available.

Gareth Bacon (AM): I note that under paragraph 3.14 on the draft budget there is a list of emerging pressures and potential priorities. It does not appear to be prioritised in any particular way at the moment. Is that just an inspirational wish list or have some of those already made the cut?

Sir Edward Lister (Deputy Mayor and Chief of Staff): No, it is just a flavour, nothing else. These are just some of the issues that are out there. The LLDC is a very obvious one because of the timing issue at play on that one. Other things, for example, Barking Riverside transport, that are current bids that the Mayor has in with the Chancellor and with the Department of Transport. These are things that are out there.

Gareth Bacon (AM): Both of those last two examples that you gave are questions I was going to ask you. The LLDC first. Obviously, from 2015/16 there is a £9.5 million gap in their budget. The Regeneration Committee went down to the [Queen Elizabeth] Olympic Park in the summer and met with LLDC representatives and they at that time did not seem to have any confidence that they would be self-sustaining by 2015/16 and everything seemed to hinge on negotiating an extension of funding from the GLA. How have discussions been going on that?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Ongoing. The figures are out there. Basically, we have a timing problem. I think that is the best way of describing it. We have the existing budgets for the LLDC. The existing forecasts really come to an end in 2015/16. In 2015/16 there is a gap of about £9 million. Hopefully, that will be reduced as we proceed. They are looking at a further gap the year after of about £4 million and then they are looking at breaking even at that point. This all depends upon how quickly they can get the Olympic Park fully operational and how quickly they can get income flowing through the Stadium because they have all the costs at the moment but no real income coming in. It is that bit of the equation that we have to try to resolve. That is going to take quite a bit of work. There are ongoing discussions with them as to the best way of trying to narrow these gaps.

Gareth Bacon (AM): It was interesting to see the Barking Riverside transport scheme noted as a GLA aspiration in the budget. I am surprised that it is not in the TfL business plan.

Sir Edward Lister (Deputy Mayor and Chief of Staff): It is not a TfL asset, if I could put it that way. It is a Network Rail asset. There is a bit of a question mark over whether it could be a TfL asset, but the trouble is that the Overground line is basically all a Network Rail asset base and TfL is a franchise. We are proposing now to build two more stations at Barking Riverside. The cost of that is circa £150 million. At the moment, we are trying to lobby central Government to fund Network Rail to provide that so that TfL can run their trains on it. A reasonable ask is whether TfL could build it and connect it to a Network Rail bit of line. I think that is the sort of negotiation that we have to follow through, but at the moment we are assuming it is a Network Rail asset.

Gareth Bacon (AM): On the list of aspirations and emerging pressures, at this point in time is it possible to put a nominal cost on how much extra the GLA would need in order to meet all of them?

Sir Edward Lister (Deputy Mayor and Chief of Staff): As far as the LEP is concerned, we are looking at basically that £88 million to flow through, so that is the big pressure point. Basically, if we do not get that, then the pressure we are under is that for most of the programmes there is no room to manoeuvre. It is as simple as that. We can keep a fair bit of the existing stuff going, but that is about it, so nothing new.

Gareth Bacon (AM): There would be new emerging pressures and it could not be funded?

Sir Edward Lister (Deputy Mayor and Chief of Staff): They could not be funded.

Gareth Bacon (AM): This £88 million is that crucial, then?

Sir Edward Lister (Deputy Mayor and Chief of Staff): It is absolutely crucial to us. Without it, I just do not see how we can keep the programmes rolling.

Gareth Bacon (AM): OK, thank you.

John Biggs (Chairman): Are you anticipating anything in the Autumn Statement on any of these bits of infrastructure?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Certainly, the Mayor is lobbying, as he does in every Autumn Statement and in every budget, for these things. He is certainly raising the

issue of the New Homes Bonus to try to get clarity. He is certainly lobbying for things like Barking Riverside. That has been part of an ongoing lobbying exercise. If I could take you back to the budget, he lobbied very hard for the electrification of the Gospel Oak to Barking Line. That was, if you like, part one of this whole business of getting the Barking Riverside extension in place. That was the first bit, so we won that bit. He is certainly lobbying on the VAT issue to try to get that resolved. They are the main priorities. There are some other bits and pieces which are out there.

John Biggs (Chairman): The argument which I am sure the Assembly would probably unanimously support the Mayor on is that it is pretty bonkers to electrify Gospel Oak to Barking and then have to build another bit later on. You might as well do it as part of the same project.

Sir Edward Lister (Deputy Mayor and Chief of Staff): All I can do is agree with you.

John Biggs (Chairman): OK. If the Chancellor is being generous, we might get something in the Autumn Statement on this and it would help unlock lots of new housing.

Sir Edward Lister (Deputy Mayor and Chief of Staff): Yes, 11,000 homes is the prize.

John Biggs (Chairman): The VAT thing you are seeking clarification on is the thing that affects the LLDC?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Yes. Just to recap that one, it is basically that at the moment the LLDC is treated as a non-governmental department and therefore has to pay VAT so it cannot recover all of its VAT, unlike local government which can recover. That is worth about £2 to 3 million a year.

John Biggs (Chairman): It does not supply enough things to offset, does it? OK.

The other question, then, is about the LLDC budget as well. I know Gareth has probed this, but I do not think we covered the point at our meeting with them recently where effectively the auditors were kept happy by virtue of having a sort of parent company guarantee from City Hall which said in order to certify their accounts that they did have a sustainable business plan and £9 million in the worst case or whatever would have to be borne by their sponsors, which is the Mayor's Office. Mr [Martin] Clarke, for the record, is nodding in agreement with that. That suggests, I suppose, either that the £9 million will have to be found from City Hall in some way and you say there is an ongoing negotiation or there may be a further call on this resilience reserve.

Sir Edward Lister (Deputy Mayor and Chief of Staff): Can I just explain? Under the settlement we did a while back, back in 2012, the settlement was a full and final settlement with the Department for Communities and Local Government (DCLG) and with Treasury, so we took all of this. In effect, the LLDC is us. The fact that we are running it as a separate organisation is no different from London & Partners (L&P). It is us. Therefore, if we do not get the funding right there, we have to underwrite it for them, yes. It is as simple as that.

John Biggs (Chairman): Either they find a new source of funds, they reduce their budget or it comes from City Hall?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Correct.

John Biggs (Chairman): I think we are in a bizarre position where the Mayor leads us at City Hall but he also chairs the LLDC and the LLDC as a board has resolved that it cannot really manage unless it can find that £9 million, so it cannot make the savings. It needs either further sponsorship or money from City Hall.

Sir Edward Lister (Deputy Mayor and Chief of Staff): If the Mayor chooses to put more money into the LLDC, then that is saying money cannot be put into a GLA project.

John Biggs (Chairman): Indeed. Yes. We have not yet found a way of generating money from nowhere, apart from quantitative easing, of course!

Richard Tracey (AM): Can we talk about the budget support for jobs and growth in London? First of all, on creation of jobs, we seem to be in a position of having some rather good news here that we have actually exceeded the Mayor's target for 50,000 jobs. As regards 2014/15 and 2015/16, will we be looking to introduce some stretched targets now, then, in light of this good progress we have been making?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): It is very good news. We exceeded the target of 50,000 jobs for last year by about 10,000, so that was very good. We anticipate that over the next three years we will hit about 251,000, so just slightly above the target. We are happy to look at how we could structure these targets given the position the economy is in now, but as it stands we are sticking to the 200,000.

This sort of goes back to what Sir Edward was saying. The uncertainty about the New Homes Bonus is something that we have to factor in in terms of direct impact from the City Hall programmes such as the Outer London Fund (OLF) and the Mayor's Regeneration Fund (MRF). But the bulk of the jobs are coming from the housing programme, from Crossrail, from Tube upgrades and that is going exceptionally well.

Richard Tracey (AM): Has it surprised you, the fact that you have exceeded the targets? With all due respect, it may well have surprised some of my Assembly colleagues who occasionally take a rather different view during Assembly meetings.

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): We were very careful about calculating the targets. We did a lot of work to work out how many jobs the Mayor could directly support, so we were pretty confident about the targets and we remain confident.

Richard Tracey (AM): Good. Then on apprenticeships, also, we seem to have been doing rather well there. Which programmes which contribute to the Mayor's target of 67,000 apprentices in 2014/15 and 80,000 in 2015/16?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Within the overall target of 200,000, programmes such as Crossrail, the Tube upgrades and the housing programme will be big contributors to the overall apprenticeship figure. We are also doing a lot of smaller interventions that we hope will have a big impact on the number of apprenticeships. We are seeing a slight plateauing in performance on apprenticeships and this is a national issue at the moment.

One of the issues that we have uncovered through research in London is that the small and medium enterprise (SME) sector is finding it quite difficult to take on apprenticeships with the level of the national grant. Also, it is quite a bureaucratic process to take on an apprentice. Through the LEP in the last year, we have agreed to double the national grant in London to take that to £3,000 per apprentice for SMEs and also to provide some practical, hands-on support for small businesses who want to take on apprentices by, for example, filling in some of the really cumbersome paperwork. We expect that to increase the number of SMEs who are able to take on an apprentice by a third. This is a target that we will do some quite intense work on over the coming months to make sure that we lift off the plateau again.

Richard Tracey (AM): I must say I have met some very impressive apprentices who are working for TFL, but of course that is not a SME by any means. Are you satisfied that enough progress is being made with SMEs? The Chairman made some remarks about the LEP at the beginning. We did get an impression that things are possibly moving rather slowly.

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment):

Within the LEP, we have four main priorities and supporting SMEs is one of the strongest. We have a working group made up of SME representative organisations such as the Federation of Small Businesses and some small businesspeople themselves, so they are really helping us to focus our actions. One of the things they have said to us is, "It is too difficult to take on an apprentice and the £1,500 grant was not enough", so we have taken immediate action on that. We will keep listening to their advice because one of the main purposes of the LEP is to provide advice to the Mayor on policies and processes to improve things.

Richard Tracey (AM): Why is the target for apprentices backloaded towards the end of this Mayoral term? What is the reason for that?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment):

There is an issue of marketing around apprenticeships and we see that as ramping up delivery, making sure that particularly the young people themselves know that apprenticeships are available to them. You will be aware that the LEP and the Mayor had this concern about the career service in London and whether we are actually giving our young people the right information they need, so there is a very strong marketing campaign around apprenticeships which will start to build up people's knowledge and expectations and will therefore ramp up towards the end of the target.

Richard Tracey (AM): Are you working closely with the university technical colleges and so on with this?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Yes, the whole further education sector.

Richard Tracey (AM): Can I move to the OLF and the MRF? What benefits will those bring to jobs and growth in 2014/15?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): I can give you a short list. By the end of the programmes, the OLF and the MRF will have supported about 2,200 individual businesses, 1,400 jobs will be created, 1,500 jobs will be secured, 220

apprenticeships will have been delivered and 430 individuals will be given some form of employment support. A total of 580 high street frontages will be improved and 60 shop units brought back into use, as well as a range of public realm improvements including new paving, improved street furniture, lighting and way-finding in 50 areas across London.

Richard Tracey (AM): Good. What about the value for money and the outcomes? How is that actually going to be assessed? That is a good list but how are you going to assess the final --

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): We have done an evaluation of the first round of the OLF already and we have commissioned the same company to do an interim assessment of both OLF round two and the MRF.

What they are finding is that particularly with round one there were some issues about capturing job creation information as the boroughs concerned were not really geared up to be able to capture the data, but that has improved significantly through OLF round two and the MRF. They have also found that our interventions into the high streets have had a lot of indirect consequences and we are not measuring indirect jobs. In terms of business confidence, you will see from national reports that many London high streets are actually faring far better than would have been expected at the start of the problems in 2008.

Richard Tracey (AM): The last question from me: when will the £25 million from the Growing Places Fund SME finance scheme be allocated to the SMEs?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): The LEP meets on 26 November 2013 to consider the bids we have had for the SME funding programme. There has been a slight delay in this in that the GLA wanted to carry out a bit of research - to go back to my earlier answer about SMEs - and find out exactly what SMEs needed because we may have had a view in City Hall that they needed a loan scheme but the research is telling us that equity investment is more important to them at the moment, so we wanted to make sure that we had (a) the right bids and (b) the right programme. The LEP will take a decision on 26 November about who will be the winners of those bids and that £25 million will be increased to £50 million through match funding from the bidders.

Richard Tracey (AM): All right. Do you have any idea how many jobs this will support or create?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Not at this stage. It will be a confidential paper to the LEP. We will be able to release some information after the decision that will confirm how many jobs would be related to it.

Richard Tracey (AM): OK, thank you.

Gareth Bacon (AM): Equity investment in SMEs: could you flesh that out a little bit, please?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): There are a lot of SME loan and finance schemes around at the moment and that was part of the problem. SMEs were telling us that there were almost too many loan schemes and they were a bit confused about where they wanted to go. What they are actually looking for is more of a long-term

investor who will come in and put money in but also help support them to develop their businesses by taking an actual interest in the business rather than simply giving a loan and expecting a repayment.

Gareth Bacon (AM): What form is that support proposed to take?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): We have a number of bids and it really depends on which bid we go with on 26 November, so I am not really in a position to say yet. Each of the bids is quite different. Really, it will be for the LEP to decide which one it favours.

Gareth Bacon (AM): Sure. I realise this is a “how long is a piece of string” question, but approximately how many businesses are you expecting to support once the decision is taken?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): I am sorry. I do not have that figure in my head, but I am sure after 26 November we will be able to give a breakdown of the decision on the £25 million. Depending on which bid or bids win, the assessment of the bids contains all the job information and the number of businesses supported, so we could release it after 26 November.

Gareth Bacon (AM): What are the key criteria for assessing the various bids? Obviously, it is a competitive process, so what are your key benchmarks? Jobs, I imagine, is one of them, but is that the only one?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): No, jobs and business support. There is also a strong element of due diligence about who is actually going to run these schemes for us and whether they have the capacity to match-fund. The match funding is a very strong criterion for us. We are putting in £25 million via the LEP but we want them to match that equally with at least £25 million. In some cases, I am aware bidders will be coming back with more match funding than £25 million and that ranks them slightly higher.

Gareth Bacon (AM): All right, so 26 November is when the decisions will be announced. Is that right?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Yes, unless the LEP needs further information, but I do not anticipate that it will.

Gareth Bacon (AM): We will watch that with bated breath. Thank you very much.

John Biggs (Chairman): Is the LEP quietly surrendering the principle of it being an evolving fund?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): No, not at all.

John Biggs (Chairman): Noisily surrendering, perhaps?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): What the LEP recognises is that with some projects the ability to pay back is difficult. For example, if we take the £25 million that the LEP has agreed to put into extra train services running between

Northumberland Park and Tottenham Hale, it runs across potentially three boroughs as it goes down into Stratford, maybe four boroughs. Who exactly is responsible for that repayment? Boroughs often offer a business rates uplift. It can be quite difficult to predict what that would be on the back of the infrastructure investment, but where at all possible we start with the assumption that it revolves.

John Biggs (Chairman): I think that is probably for another committee to look at, but I would be very surprised if more than 30% of it revolved in any meaningful way.

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): We are assuming closer to 50%.

John Biggs (Chairman): Closer to 50% but not above 50%, though?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): No, we may get above 50%, but we have to recognise that some of these schemes require grants rather than loans. Rather than have a situation where we do not invest and therefore growth does not happen, we think it is better to make the investment.

John Biggs (Chairman): OK. It does beg one of those after-dinner questions about what the point of government is, I suppose, but --

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): That is beyond my pay grade.

Stephen Knight (Deputy Chair): The paper gives us this figure of 60,000 jobs created in the last financial year. I wonder if you could provide the Committee with a breakdown of those jobs.

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Sure. I cannot do that now but in the follow-up letter I am happy to give that breakdown, yes.

Stephen Knight (Deputy Chair): I do not know whether you could tell us what proportion of those, roughly, is in the construction sector?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): A high proportion will be but, again, I will confirm that in the follow-up letter.

Stephen Knight (Deputy Chair): Does it surprise you, given that the claim is that 60,000 jobs have been created in the last financial year, that the GLA's own estimate for growth in the construction sector is 5,000 jobs over the next three years?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): I think those two things are very different. Under "construction" in our figures, we are including Tube upgrades, Crossrail and major transport infrastructure investments. I do not know what the 5,000 refers to.

Stephen Knight (Deputy Chair): If the majority, so more than 30,000, new construction jobs have been created last year alone, does it surprise you that the GLA's own estimate for growth in the construction sector is 5,000 jobs over the next three years?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): You would need to compare the methodology of counting the jobs which we gave you in July 2012 and also compare that. I presume that is a GLA Economics figure?

Stephen Knight (Deputy Chair): Indeed. That is partly why I am so keen to look at your breakdown of figures.

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Find out what they are actually classing as construction industry. There are a number of definitions.

Stephen Knight (Deputy Chair): I have no doubt people building infrastructure will be included in that. I notice that the key performance indicator (KPI) talks about jobs created and supported. The original Mayoral manifesto was about jobs being created. I just wonder. Has there been a subtle shift in the wording between a commitment to create jobs and now a target for jobs “created (and supported)”? I do not know whether anyone could explain to me the difference, perhaps. I do not know whether this is above your pay grade, Fiona, or whether it is within your pay grade.

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): No, this one certainly is not.

John Biggs (Chairman): There is nowhere above.

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): No, the 200,000 jobs in the definition that we released in July 2012 on how we were going to count this included direct jobs but it also counted indirect and induced jobs, as the economists term it, so there are a number of jobs that would be supported. For example, if David’s [Lunts] team is paying for a house to be built, that house is likely to require cement. That cement manufacturer will employ people and that is a supported job, rather than directly included.

Stephen Knight (Deputy Chair): It is not about maintaining jobs that already exist? It does not mean that?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): No, these are new jobs.

Stephen Knight (Deputy Chair): In theory, they are all new jobs?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): All new jobs, yes, absolutely.

Stephen Knight (Deputy Chair): Good. I will wait with interest the breakdown that you provide, Fiona.

John Biggs (Chairman): Do you have any unknown jobs as well in your categories?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): If they are unknown, I do not know about them.

Darren Johnson (AM): What about the known unknown?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): No, these are all actual jobs.

Darren Johnson (AM): Moving on to the Mayor's environmental priorities, can you just outline, to start off with, how the budget is going to support delivery of those objectives?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): The draft budget is proposing that we carry on with the steady state in the environment sector, so we will continue to support the development of parks, the planting of trees and key environmental programmes about the reduction of CO₂ emissions, both through David's [Lunts] work on housing and property but also through decentralised energy and through the waste strategy.

Darren Johnson (AM): Looking at the delivery on targets so far for CO₂ emissions, you have seriously underperformed in recent years. If funding for the energy efficiency and the energy supply programmes falls, is the situation simply going to get worse?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Obviously, funding for – particularly, decentralised – energy is essential and we are working with European colleagues and we have a meeting with a European Investment Bank this week to seek to provide additional funding to go into this area. We do recognise we have a lot more work to do, but we also recognise that we need some funding to do that. We are getting very positive noises from our colleagues in the European team about the European Structural Funds strategy for 2014-2020, which should be available to help with these programmes.

Darren Johnson (AM): Are you looking at revising the targets in any way or are you still committed to delivering on those? I am just looking at the figures for, say, 2013/14 on home retrofit. Your target was a reduction of 29,416 tonnes and so far you have delivered 996 tonnes. That is some way off.

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Generally on the carbon targets, the Mayor is not moving away from the target he has set. Yes, it is difficult, but he is going to achieve it.

David Lunts (Executive Director of Housing and Land): On the RE:NEW programme for domestic retrofit, as I think we have perhaps discussed in other places, the way that we are looking to gear up and deliver a more efficient programme is to move away slightly from the individual property door-knocking exercises towards a much more strategic engagement with the major landlords. We are now working with London boroughs, the major housing associations and other landlords to gear that programme up. Whereas we have been able to retrofit just around 100,000 homes after the last four years, we think that with the move to a more strategic engagement we can increase that to about 230,000 homes over three years. It is a more efficient way to leverage our funding. It is also the case, as you know, that the new eco programme is more geared towards the kinds of retrofitting that that strategic engagement delivers, so sidewall insulation, for instance, which is quite a difficult thing to deliver on individual properties but actually is quite possible if you are working on a block basis.

Darren Johnson (AM): Is that an admission that it was perhaps a mistake, then, to go for the door-to-door approach on retrofit? Why the change in direction?

David Lunts (Executive Director of Housing and Land): I do not think it is an admission that it was wrong. What we have done is we have covered London pretty effectively and delivered some early wins because it is much more straightforward to launch a domestic retrofit programme on an individual home basis. That can be done very quickly. You can supply the kit - low-energy light bulbs, water-saving devices, insulation - very easily.

To take your point, that becomes more difficult to continue and if we are going to get more bang for our buck, if you like, then operating through things like the Decent Homes Programme to add environmental retrofit to that, to work with the major landlords when they are undertaking major repairs and cyclical improvement work. That just means that we can do more with less, if you like.

Darren Johnson (AM): You are committed to delivering on these targets without revising the targets, even in spite of the difficulties?

David Lunts (Executive Director of Housing and Land): That is certainly the intention.

Darren Johnson (AM): Can I just ask about your KPIs and annual targets? The model used in the Climate Change Strategy sets out cumulative targets, so it is a bit difficult to be able to make direct comparisons. Could you send the Committee a note setting out how the KPI targets match up to the model in the Strategy so we can actually monitor like with like?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Yes.

Darren Johnson (AM): Thank you. Can I move on and ask about the future of the London Waste and Recycling Board (LWARB) in 2015/16 and beyond?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Yes. The funding from Department for Environment, Food and Rural Affairs (Defra) comes to an end at the end of 2014/15. LWARB itself has been exceptionally good over the last couple of years at making efficiencies to make themselves a leaner and fitter organisation. Also, they are seeing some of their investments start to mature, so, if you remember, in LWARB it was about a revolving fund as well and some of the investments are starting to show every sign of repaying. However, there will be discussions ongoing with Defra about whether there are sources of funding that they will want to continue to put into LWARB in some way.

Darren Johnson (AM): The plan is to continue with LWARB?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Strategically, LWARB has been exceptionally good at helping to drive forward this agenda in London, investing into the green industries and also assisting us at City Hall in terms of strategy development around domestic and municipal waste, so it has been a really good organisation.

In terms of business support, it has also done a lot of work with the waste and increasingly the waste-to-energy sectors in terms of building up those businesses. We are in active conversation with LWARB officers about how they might work more closely with the LEP, not simply bidding to the LEP but

working with them around the waste sector of the SME group to see if there is further work that we could do and therefore access further funding for LWARB.

Darren Johnson (AM): You are going to continue lobbying the Government for funding beyond 2015/16, but identifying other sources as well?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Yes. We are not terribly confident of additional Government money.

Darren Johnson (AM): Can I just ask a general point as well to conclude? There are several environment programmes that appear to suffer very large cuts. For example, the Drain London programme has gone from £941,000 down to zero. Is it that the programme has come to an end and no new projects have been identified?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Drain London is wholly DCLG money and the funding source comes to an end.

Darren Johnson (AM): There will be no further work?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Maybe. There is a central programme budget which is outlined in the paper and we may want to bid to that for additional work in this area. Drain London as a project has been very successful in working with the local boroughs in adapting how they work on this. For example, very strong work with Lewisham about some of the rivers running through Lewisham and how to manage those correctly. Yes, if there is more money available from DCLG, we will happily take it.

Darren Johnson (AM): Because of the size of some of these reductions, would it be possible to set that out in a note to the Committee with what your plans are on each of the environment programmes and how you aim to cope with the level of budget reductions that seem to be in there?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Yes. For example, Capital Clean-up is a sponsored programme which we will continue to look for and hopefully positively gain sponsorship for. For each line we can outline what the programme is.

Darren Johnson (AM): Thank you.

Gareth Bacon (AM): Just on the question of LWARB, you have said in your remarks that there are ongoing discussions with the Government about 2015/16 and beyond. I, at that point, was feeling quite hopeful because I thought, "OK, the reason there is zero in 2015/16 is because discussions are ongoing and that makes sense". You then concluded your remarks by saying, "We are not terribly confident of extra Government money" --

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): No, we are not.

Gareth Bacon (AM): -- which is good to know at this stage. In the event that there is no Government money, are there plans? Would this feed into the prioritisation progress that I was talking to Sir Edward about?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment):

Agreed.

Gareth Bacon (AM): It would not be a question, then, of simply cutting LWARB dead at that point? There would be ongoing discussion and that would feed into the other priorities that are being looked at; is that right?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): You also need to remember that LWARB has its own access to funding through the revolving nature of its programme, so there is an element of that that can be used for revenue support to pay for the officers.

Gareth Bacon (AM): Indeed, but that is going to be a long payback. I did note what you said about some of that money starting to mature and it is coming back in, but inevitably with LWARB a lot of the funding that it puts out will be in long-term infrastructure projects so there will be a significant delay in that coming back. In terms of injecting money into organisations to make things happen, its prospects of doing that would diminish, surely, if there is no extra revenue coming from anywhere else?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment):

What LWARB has been doing over the last couple of years is creating efficiencies within their organisation to tide them over. The first project to pay back pays back in about three years' time, so they are planning to have sufficient revenue to stay in business, but we will continue to support them through any discussions with Defra.

Gareth Bacon (AM): Sure. If they stayed in business just on that basis with no further funding coming from anywhere else, would I be right in assuming that their capacity to make big changes or to influence big change in recycling in London would be diminished because inevitably there is less money there for them to do that?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment):

They also have access to European funds. They are also part of the Green Fund and they are joining us in conversations with the European Investment Bank, so it is not as miserable as I am sounding, possibly. There are lots of other sources of funding that we will help support them to get access to.

Gareth Bacon (AM): OK, so it is a matter of slightly changing their business model?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment): Yes.

It is far less reliant on pure Defra funding and becoming far more self-reliant, which they are becoming very good at.

Gareth Bacon (AM): Instead of being merely a grant-funded body, you are looking to try to make it a self-sustaining financing model?

Fiona Fletcher-Smith (Executive Director - Development, Enterprise and Environment):

That would be the ideal model, yes.

Gareth Bacon (AM): Thank you for that.

John Biggs (Chairman): Sir Edward, is the Mayor committed to the continued existence of LWARB?

Sir Edward Lister (Deputy Mayor and Chief of Staff): If I may, Chairman, as Fiona said, they do have access to certain funds. If you add LWARB onto the existing prioritisation list, something has to give. Sorry, we are dealing with limited resources and LWARB does have access to money. It is a changing formula. I understand that it was always intended that the finances would come to an end as they have done and that they would have to live on this money being revolved, which is what is having to happen. Yes, of course, if the Mayor decides that this is a greater priority than other things, then it will of course go on the list.

John Biggs (Chairman): Very interesting and for discussion elsewhere, I guess.

Joanne McCartney (AM): On land, David, a nice open question to start with. What are the Mayor's main priorities for housing and land in the forthcoming financial year, so 2014/15? From our briefing, it looks like we have quite a few schemes coming to an end and only one starting.

David Lunts (Executive Director of Housing and Land): Yes. I would say three, and probably in this order, actually. The first priority is to get more affordable housing built for Londoners. That means two things. Firstly: managing the existing commitments effectively and delivering the 55,000 affordable housing target and the 100,000 affordable housing target and, secondly, making sure that we get a decent settlement from the Government for the new grant funding that will take us through to 2018, making sure that we get a sufficiently buoyant pipeline to give us confidence. Affordable housing is probably the first top priority.

The second priority is to make sure that we do everything we possibly can to ensure that both the core GLA land that we have inherited from organisations like the LDA and the HCA is effectively used to support housing, jobs, growth and regeneration and indeed that we extend our influence across other functional bodies and public agencies in London to make sure that public land is being used effectively.

The third priority is to make sure that we are doing as much as possible to support Londoners in their existing housing stock to have a better deal. That includes things like supporting more activity around decent homes, retrofitting stock which we have just discussed and indeed doing more to see that we get decent standards of management and maintenance across the existing rented sector where obviously it is largely unregulated. We want to do more to ensure that all landlords in London are of a decent standard. Those would be the three things: affordable housing, land and existing residents, if you like.

Joanne McCartney (AM): Where are you in your negotiations with the DCLG at the moment over the affordable housing settlement? Is that going to be announced at the end of December? Can we have some clarity by then?

David Lunts (Executive Director of Housing and Land): Ultimately, of course, that is a matter for the Government rather than us, but the discussions with DCLG have been going very positively, so we are as confident as could expect to be that we will get certainly a reasonable settlement. The

Government has already given an indication of how much is likely to be available nationally but has not yet agreed formally how much London will get.

We are hoping to issue a bidding prospectus for our partners certainly well before Christmas and possibly before the end of this month, so clearly we cannot do that until we know the outcome of those negotiations. I expect that that will be clear at, or around, the time of the Autumn Statement, but nothing is yet quite confirmed.

Joanne McCartney (AM): Into this mix we now have the Mayor's Housing Covenant. Can you just let us know what the objectives of that are in the forthcoming year? What do you hope to achieve if we had you back at the end of 2015?

David Lunts (Executive Director of Housing and Land): The Mayor's Housing Covenant is a way of describing the way the Mayor wants to relate to different groups of Londoners who are in housing stress. The first round of that, really, was when we very specifically said we wanted to do more to encourage low- and moderately-earning Londoners into affordable home ownership. That, in the minds of some, possibly slightly confused the Mayor's Housing Covenant with nothing but affordable home ownership. That is not the point.

Subsequent to that, we issued two policy papers under the Housing Covenant name and also two new funding rounds. Whereas the first funding round was for affordable home ownership, the second two have been for, firstly, care and support - specialist housing for the elderly, the frail or those facing particular health issues that they need housing support with - and, secondly, what we call Building the Pipeline, which is a way to try to construct a forward programme of funding. Rather than a situation where the funding runs out in 2015 and no one can be confident that they will get any support to build anything beyond that, we have actually been funding supply that stretches through to 2017/18 to try to build that long-term confidence with partners to provide affordable housing for both rent and affordable home ownership.

Joanne McCartney (AM): That brings me on to my next question. What is going to be the balance between the affordable home ownership and affordable rent? The documents that we have seen are not quite clear about that at the minute.

David Lunts (Executive Director of Housing and Land): Yes. As you know, we have made a number of allocations for affordable housing. There is the old National Affordable Housing Programme. There is the new Affordable Homes Programme which includes affordable rent. There is the Building the Pipeline work that I have just mentioned. We think that broadly that will all add up to an outturn that will deliver roughly the 60:40 split that we envisage in the London Plan.

Joanne McCartney (AM): So that is 60 ownership and 40 rent?

David Lunts (Executive Director of Housing and Land): Yes.

Joanne McCartney (AM): OK. You are monitoring that, so next year you will be able to tell us that that is --

David Lunts (Executive Director of Housing and Land): Indeed, yes. The thing you will appreciate is that obviously some schemes slip out and new schemes come in. There is movement

across the years. Broadly speaking, we want to stick to a programme that reflects the London Plan division between tenures.

John Biggs (Chairman): Can I just come in on the 7,000 homes on the Covenant? We are advised that the Mayor's Housing Covenant in 2014/15 has a target of 7,000. What proportion and what number of those would be rented affordable houses?

David Lunts (Executive Director of Housing and Land): In terms of the recent allocations for that programme, those 7,000 completions, we reckon it will be somewhere over 4,000 for rent, probably about 4,200.

John Biggs (Chairman): For affordable rent?

David Lunts (Executive Director of Housing and Land): Yes.

Joanne McCartney (AM): That is slightly more than 60:40.

David Lunts (Executive Director of Housing and Land): That is a bit more, yes, but that sort of balances with the fact that the earlier programme was much more geared towards affordable home ownership.

Joanne McCartney (AM): OK. I want to ask about the Mayor's exit strategy for GLA property assets. He has committed to having an exit strategy in place for all existing assets by 2016. Apart from that being when he leaves office, is there any other reason why 2016 is the deadline?

David Lunts (Executive Director of Housing and Land): Possibly because it is quite difficult for the current Mayor to make too many commitments for things to happen after 2016.

Joanne McCartney (AM): He is aiming to sell it all off before then, is he not?

David Lunts (Executive Director of Housing and Land): Having looked at what we have inherited and given the fact that there is obviously some urgency and priority about getting undeveloped land into building, we do not see any reason why we cannot get everything sorted out by 2016, frankly. We already have a position now where something like 85% of the portfolio is either under development or in procurement, so we know exactly what we have left that is not yet resolved, if you like.

Inevitably, what is not yet resolved tends to be the stuff that is more difficult to do but we would like to get that either into development or certainly into procurement or, if that is not possible because the sites are not yet viable, with a strategy solution. We talked a bit earlier about Barking Riverside. That is quite a good example where we know we can get 11,000 homes built, but clearly that is not going to happen unless there is the decision on the rail extension. We have one or two other sites where there are also infrastructural or other constraints at the moment. We want to resolve those as best we can before 2016 to make sure that we have everything that we own in the pipeline for new homes and jobs.

Joanne McCartney (AM): What is the balance you make between releasing land for sale in a rising market and perhaps if you waited a little you could get a lot more and do more?

David Lunts (Executive Director of Housing and Land): Yes, it is an interesting question. Trying to predict the ebbs and flows of the market is a risky business.

I would say two things, really. One is that there is an absolutely pressing need at the moment to get more land developed. There is no question about that. The extent of London's housing crisis and the need to regenerate no one can understate at the moment, so that tends to take priority.

I would say as well that the current pretty buoyant situation in the London housing market and land market is another reason why it gives us an opportunity to perhaps see if we can float some of those sites into viability that, frankly, two or three years ago were nowhere close. Nearly all of the GLA's land that is not yet in development is in east London, not in the nicest bits of east London, either. A lot of it is in the less attractive, lower value locations. We think that with the current level of market interest, that might give us an opportunity to get some of those sites away.

Joanne McCartney (AM): With that, are you certain that you are getting value for money from the sale of those sites?

David Lunts (Executive Director of Housing and Land): Yes. We think at the moment there is little doubt about that. We obviously have a statutory obligation to deliver best value. That is very clearly laid down. We cannot give land away willy-nilly. If we look at the receipts that were generated over the last year or so through land disposals, bear in mind that nearly all of our disposals are actually active procurements. We do not tend to just give land away at auction. We seek development partners, we are very clear about what we expect and we manage the process very tightly, but that has not actually undermined the value that we are getting for the land. Compared to the book values that we have for our sites which are revalued every 12 months, the receipts that we have generated have been substantially in excess of that, so I have no doubt that we are delivering good value.

Joanne McCartney (AM): I remember at the last GLA Oversight Committee meeting, when we questioned about the property register some of the functional bodies such as the police and the fire assets had not come into your remit, if you like, because of the need to sell them quickly. In the future, is that going to be something you will have more of a say on?

David Lunts (Executive Director of Housing and Land): Yes, it is. The Mayor has made it very clear that he wants to see all of the functional bodies referring their surplus land and assets through the Single Property Unit mechanism. Furthermore, unless that mechanism agrees that those sites should be exempted, they should be procured through our new London Development Panel. On both those counts, there is now a much clearer system that means that we know what is coming forward. We are working very actively with the Metropolitan Police Service, with TfL and with LFEPA.

Indeed, we have had the first successes already with the Peel Centre in Hendon that was very successfully procured for the Metropolitan Police Service. They got a very good receipt. We have a very good arrangement with a developer there. Indeed, just this morning I noticed that LFEPA is looking to talk to us very urgently now about some of their surplus assets coming through and using the London Development Panel to get those under development quickly.

Joanne McCartney (AM): How will disposal of the assets then contribute back into Mayoral priorities?

David Lunts (Executive Director of Housing and Land): Sorry, if I may, at least two things, really. One is that clearly the revenues that are generated as a consequence of selling land or procuring development partners is very important in terms of funding the medium and long-term budget strategy of the GLA. We clearly have some borrowings that need to be repaid, particularly for the Olympics, so it is essential to that.

Secondly and more short-term, perhaps, as I say, we are not just selling the family silver to repay debt. Virtually everything we do with our land here is not just about repaying debt but about delivering as much housing, as much regeneration and as many jobs as possible in a responsible way. We are delivering short-, medium- and longer-term objectives for this organisation.

Sir Edward Lister (Deputy Mayor and Chief of Staff): Just to add to that, of course, LFEP land or the Mayor's Office for Policing and Crime (MOPAC) land will always of course be on their balance sheet and not on the GLA's balance sheet, so the asset will go back to them and then will be recycled accordingly. The advantage really is the one that David has outlined about getting the housing and everything else on the way quickly.

Joanne McCartney (AM): Finally, I want to ask about rough sleeping. The current programme has a budget of £8.8 million for the next financial year, but no funding thereafter. We know that there is a £40 million nationwide pot for hostel accommodation. Could you let us know what is going to be the funding for rough sleeping after the current financial year and how much of that national pot do you believe London should be getting?

David Lunts (Executive Director of Housing and Land): You are absolutely right to point to the scale of the issue in London. Again, that is obvious and very visible to people. You are also absolutely right that although our funding is secure for 2014/15, beyond that there is nothing at the moment.

All I can say is that again, a bit like the discussions around the affordable housing budgets, we have a very active and quite positive discussion going on with DCLG about the need to continue to support rough sleeping, street homelessness and other initiatives in London. We are, again, hopeful that we will get an early agreement with the Government about how much is available in 2015/16 so that we can start to forward plan and procure services in a responsible way rather than run the risk that there is uncertainty at the end of next year. Although there is absolutely nothing on the record at the moment, all I would say is that the scale of the problem in London is very well recognised and --

Joanne McCartney (AM): It is increasing.

David Lunts (Executive Director of Housing and Land): -- I am optimistic that there will be a reasonable settlement for London.

Joanne McCartney (AM): Otherwise, obviously, it will have a dramatic impact on homelessness in London.

If the Government funding does not come through, will the Mayor fund rough sleeping in the future?

Sir Edward Lister (Deputy Mayor and Chief of Staff): I think it comes back to the earlier comments. If it does not come through, then the Mayor will obviously want to see that on the list

which he would want to look at and review. If he does not fund it, it will have to come from somewhere else. All I am trying to say is there is no new money around it and now I think we are all very hopeful that this money will definitely come through from DCLG.

Joanne McCartney (AM): Can I ask a question about when you are deciding the priority list and what comes in and what goes off? Do you actually actively look at what the associated costs of not dealing with a problem are? For example, do you take into account the antisocial behaviour that the police may get or the impact on the health service?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Yes. I assure you that the budget-holders make absolutely sure that those points are put across when those lists are being compiled, so, yes, they will make that point very forcibly to the Mayor.

John Biggs (Chairman): I do not really understand, Sir Edward. Joanne has asked this from a slightly different direction. What is the imperative to dispose of the land? I know that we want to build homes and so on and we want to see that happen, but it implies that after 2016 there will be no longer a strategic role for the GLA in owning and managing land.

Sir Edward Lister (Deputy Mayor and Chief of Staff): No. In parallel with all of this work, we are doing a lot of work with the DCLG and with Treasury to argue the case that Government land should be disposed of through the GLA so that we would look to have an ongoing stream of land coming through us to dispose of. One of the objectives of David and his team is to try to access that. Indeed, the DCLG are not opposed to this. There are some ongoing discussions about it at the moment.

John Biggs (Chairman): I am very pleased I asked that question because it has opened up a whole new area. We could carry on for another three hours, but we will not today. Who are the major landowners? People like the Ministry of Defence, the former utilities?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Defence. Health is a big one. Most Government departments have land assets around London, which it would be helpful to get our hands on for the simple reason that we want to get them into the market and get housing built on them.

John Biggs (Chairman): There is another instance which certainly was one of the drivers of the LDA at a time when there was a lot more money about, which was intervening in areas of market failure - whether that is the Lower Lea Valley or an individual site which is blighted in some way - and using the public facility to actually make that marketable again. The idea of recycling unusable land is a last resort activity for the public sector. Would you accept that as a principle, Sir Edward?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Yes. Indeed, that is something that may be appropriate for the Mayor to go back into, acquiring land in certain instances.

John Biggs (Chairman): It would be a misrepresentation for the Mayor to say that he wants to flog all his land by 2016 because he hangs up his boots and disappears from City Hall and has no future intentions for land then?

Sir Edward Lister (Deputy Mayor and Chief of Staff): There is a misinterpretation here, if I may. What the Mayor is trying to say that he wants all the land that he has control over out there and in

the marketplace with houses being built on it. That is what the Mayor wants to achieve. Of course, he is also arguing for more land to come through, so this should be a cycle that is taking place and constantly getting more land available.

John Biggs (Chairman): I am aware from my days at the LDA that there are lots of bits of land which are as big as this room and have a pylon on them or something. People will tend not to want to live on them. Do you have a process for disposing of those, Mr Lunts?

David Lunts (Executive Director of Housing and Land): I wish we did. That is the short answer. You are right. One of the disadvantages of inheriting all this is that, as you know, there is a lot of stuff that dates way back to the London Docklands Development Corporation as well as the LDA. It is kind of pass-the-parcel through the generations of organisations. Whether it is a roundabout or a grass verge or a small piece of land that is not developable, we will continue to have quite a lot of that. Wherever possible, what we have been doing is looking to see whether we can move that across to the relevant local authority or other bodies, but I will not pretend to say that that is a straightforward matter.

John Biggs (Chairman): Each of those pieces of land has a cost and a potential liability attached to it.

David Lunts (Executive Director of Housing and Land): Yes, there are some costs. There are ongoing maintenance costs and, again, we have sought to minimise those for obvious reasons.

Stephen Knight (Deputy Chair): Given ongoing low interest rates and the fact that most Londoners are now renting rather than buying homes, is there an argument that rather than the GLA actually trying to dispose of all its assets, that instead it sit on them and generate revenue income from housing developments and so on?

David Lunts (Executive Director of Housing and Land): That is a good question. One of the things that we have been doing a lot of work on over the last year or so is whether there are opportunities to actually draw on those market conditions and say, rather than simply sell a piece of land to a developer, what about potentially offering to keep our investment there over a longer period of time so that we take a return perhaps on an ongoing revenue stream rather than an upfront payment or even a deferred payment.

That has two potential advantages. One is it can actually help a development become more viable because some of the upfront costs are minimised through a developer. Secondly, it gives us the possibility of some long-term revenue flows. I suppose a third potential benefit is it is an opportunity to test new models, particularly for things like private renting, for instance. That is something that we are looking at with regard to two or three of our sites which are likely to go to the market in the next few months.

Stephen Knight (Deputy Chair): Can you send us some more details on those things?

David Lunts (Executive Director of Housing and Land): Yes, certainly.

John Biggs (Chairman): I am sure the Committee would be very interested to hear also about this prospect of other Government land assets flowing to the GLA and would probably support the

principle of that, providing we are clear what the prospectus is for that. Would that be possible as well?

I had one other question. Presumably, there is some sort of prospectus or some sort of note you could provide that would tell us about that. There is a growing vogue for public authorities or perhaps there is not. We can write to you about that.

Sir Edward Lister (Deputy Mayor and Chief of Staff): I was going to say, Chairman, I do not think there is anything particularly. It is an ongoing ask of the DCLG.

John Biggs (Chairman): Just a conversation on an aeroplane or something?

Sir Edward Lister (Deputy Mayor and Chief of Staff): It is ongoing. The DCLG have responsibility from Treasury to dispose of certain assets. That is still being negotiated through Government departments and we are trying to really, to put it bluntly, become the disposal agent for the London land while the HCA will be the disposal agent for the non-London land. That is the debate that is underway at the moment.

John Biggs (Chairman): OK. The Corporation of London has always done this and some local authorities have started only disposing on long leases. Is that something that the GLA would contemplate?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Everything is up for grabs at the moment. What the GLA has been looking at is disposing on deferred payment terms of varying kinds to maximise the ability of the developer to build out the scheme. It may be in due course that that may be a better model and certainly a model that, for example, TfL would tend to follow, though for different reasons, because they will at some point in the next X number of years possibly need access to the land.

John Biggs (Chairman): OK. Finally then on land, I remember again that the LDA amongst its oddities owned a park, the Thames Barrier Park. I assume that is the Mayor's single park. Is that right?

David Lunts (Executive Director of Housing and Land): We do own the Thames Barrier Park. It is absolutely true.

John Biggs (Chairman): Although of course the Olympic Park is now a somewhat park-like beast.

David Lunts (Executive Director of Housing and Land): Yes.

John Biggs (Chairman): Are there any plans for that, because there are so many different park owners in London?

David Lunts (Executive Director of Housing and Land): There are some not insignificant ongoing management and maintenance obligations with the Thames Barrier Park, as you will appreciate, John, so one of the things we are looking to do is to see whether we can potentially tie the release of some of our land around the Thames Barrier Park to a deal that will actually take away that financial obligation. One of the sites I just mentioned actually that we are looking to potentially

bring forward for a market rent-type solution is a site immediately adjacent to Thames Barrier Park. It may be that we can strike a deal there that means that whoever takes that and possibly other land around about might pick up some of that cost over time. Certainly part of the objective in terms of our land and property management strategy is to try to release ourselves from as many ongoing financial obligations with the residual estate as possible.

John Biggs (Chairman): There are other anomalies, such as the GLA owns the freehold, I think, of the ExCeL Exhibition Centre and there must be other assets as well. Presumably that is quite a good-performing asset?

David Lunts (Executive Director of Housing and Land): We do not want to get rid of that unnecessarily because, on the flipside, we do have a very important revenue stream from many sources of which the ExCeL Exhibition Centre is just one.

John Biggs (Chairman): Obviously given that we love asking questions, we might want to delve into that a bit outside the meeting but you can go now, Mr Lunts, if you want.

David Lunts (Executive Director of Housing and Land): Thank you very much.

John Biggs (Chairman): Shall we move on and welcome Mr Walden?

Valerie Shawcross CBE (AM): Good morning, Mr Walden. Good to see you again. Perhaps you would just kick off by giving us a general introduction to what the External Affairs Directorate is going to be doing next year and what you have decided about its key performance measures, which we were grappling with, I think, last time we met?

Will Walden (Director of Communications and External Affairs): I think the most important thing that we absolutely need to continue to be doing and that we have not, in some ways, done well in the past is to communicate better with Londoners. Part of that when I came in, and over the last year, has been to restructure what was the London Engagement Team, which is now the External Relations Team. I think part of the problem was that we needed to provide a more consolidated team. It was essentially three teams not working as one and it was not utilising resources correctly in terms of its relationship with the rest of the GLA and some of the GLA family. In that restructure, we have a team which is delivering much more effectively, and much better support is being provided for the organisation. That is clear in terms of the events delivery programme.

I know that the GLA Oversight Committee recently was very thankful for the delivery of People's Question Time (PQT) and for the marketing around PQT, which has improved considerably. The key thing for me is that we wanted to look at the whole way in which we were communicating with Londoners across our marketing, our brand and our digital presence. That is being done in the form of the marketing strategy, the social media strategy and working towards redeveloping london.gov as a much better-performing website that has Londoners at its heart and essentially improves not just the numbers hitting london.gov but the satisfaction rating. I think the key thing is that if people can be engaged through our various channels, then obviously we can hopefully increase numbers and people are more aware of the work that the Mayor is doing, they are more aware of the work that the GLA as an authority is doing. Also, the key thing is that satisfaction-wise, if we can improve satisfaction, it means that Londoners see more of that. They see we are more accountable and hopefully they become more involved and engaged in the process.

Valerie Shawcross CBE (AM): What are your key performance indicators then?

Will Walden (Director of Communications and External Affairs): At the moment we have 194,000 dedicated hits a month, which is not good, and of which only 75,000 on the website are Londoners. Most people navigate away without going from page to page. Clearly that is not performing, but at this stage can I just take a step back, Val? One of the problems that we have had in communicating with Londoners, and particularly the use of social media and the website in particular, is that we have done three major revamps over the course of 13 years. None of them have worked because we have never asked Londoners what they want from it. One of the things I have done this year is to institute research with Londoners as to what they want to see, their awareness of london.gov, of the Mayor, of his priorities, of the work of the Authority, the work of the Assembly and what they want to see from a proper website experience, the information they want to garner. That is the key thing. We have never done that.

In terms of key performance indicators (KPIs), if I come back to you next year and we have a similar number of hits, I will be very disappointed. However, if I have a similar number of hits and through research we have worked out that the satisfaction with the website is better, then we are going in the right direction. It will be a major disappointment to me if we are still hitting 196,000 this time next year, the point being that I cannot give you a KPI number on, "I want to double it", or, "I want to triple it". The point is that I will consider it a failure if we have not moved on in terms of numbers and satisfaction.

Valerie Shawcross CBE (AM): OK. I understand you are trying to go for quality, but there are some key KPIs that we are all interested in in terms of accountability and transparency. For example, correspondence. I think you are responsible for that part of the organisation, so what are the big KPIs that you think are important and where are they going? I appreciate that you are trying to have more of a relationship with Londoners and hear what it is they want, but I would have thought one of the things that will do is influence what you think the KPIs ought to be.

Will Walden (Director of Communications and External Affairs): With the greatest of respect, in terms of communication you can get very bogged down with KPIs.

Valerie Shawcross CBE (AM): So you do not think they are important?

Will Walden (Director of Communications and External Affairs): No, I did not say that.

Valerie Shawcross CBE (AM): You do not think performance indicators are important?

Will Walden (Director of Communications and External Affairs): I do. I said that they are very difficult to measure in these terms.

Valerie Shawcross CBE (AM): OK. Which ones do you think are particularly important?

Will Walden (Director of Communications and External Affairs): In terms of engagement with Londoners, I want a service where if people contact the GLA as an authority and want to know about the Mayor's priorities, want to know what the Assembly is doing, and want to know what the building is doing, I want those phone calls to be answered quickly and effectively. That is being done; we are

ahead of our target on that. We could do better across the building in terms of response to email traffic and to letter traffic. Our target is around 90% and we are about 86%. Clearly the Mayor needs to sign things a bit more quickly and there are targets which are not being met in that sense, but I do not think that KPIs are not important. What I am saying is that in specific terms like that they are easy to measure because you will hit your target. What I want from that is that correspondents are being satisfied and Londoners are being satisfied.

Valerie Shawcross CBE (AM): OK. It is not a trick question, though. We were just trying to ask you what the key performance indicators were, in your view.

Will Walden (Director of Communications and External Affairs): I was not telling you that they were not important.

Valerie Shawcross CBE (AM): So which ones are they, then? You have mentioned the website, correspondence, emails, the phones. What else?

Will Walden (Director of Communications and External Affairs): As I say, as opposed to KPI milestones, what I would put is successful event delivery, which we have done over the course of the last year. Also one of the important things that comes under my remit in Paul Igbokwe's [Head of Public and Community Liaison, GLA] team in terms of community engagement and public liaison is the delivery of a programme of community receptions, which we are delivering for London and also, within that, engagement with London's communities, whether they be faith communities, interest groups, or stakeholders. We have revamped that over the course of the last year in terms of our engagement meetings and my target with that is to have eight stakeholder group meetings. What we have done this year is I have targeted those rather than specifically community-related. We have moved to having deputy mayoral advisers leading those on specific topics and engaging a group of communities by inviting them to those sessions.

Valerie Shawcross CBE (AM): That is good and they are all what I would call performance indicators on inputs or what you are actually doing. In terms of the outcomes and people's awareness and attitudes, have you set any targets for that at all?

Will Walden (Director of Communications and External Affairs): As I said to you, one of the key things and one of my key KPIs is to be able to reach more people across London in terms of the Mayor's vision and priorities commitments.

Valerie Shawcross CBE (AM): So you are measuring that, then?

Will Walden (Director of Communications and External Affairs): That is a mixture. It is certainly based on satisfaction: we will do online, we will continue to do polling, we will do online polling and research on that. In terms of numbers, we start from a low base and I want to improve that satisfaction and those numbers. Since we have not finished the work on the website in terms of the strategy for this upgrade, though it will be completed in the next three months, I cannot tell you whether that means doubling the numbers of people who are engaged. The most important thing is that they are satisfied by what they see.

Valerie Shawcross CBE (AM): OK. Sometimes you have to guess, do you not? I appreciate that a target sometimes is a pot-shot, particularly if you are doing something new or in a new way. Have

you actually set targets for things like satisfaction and things like the number of hits on the website, things like what responses you might get from the public?

Will Walden (Director of Communications and External Affairs): We are in the process of doing some of that satisfaction polling.

Valerie Shawcross CBE (AM): Chair, rather than protract this, perhaps Will could write to us with a clear account of what his performance indicators and targets are and then we will know in terms of the numerical side of this debate what the External Affairs Team think they are trying to achieve and that will be informative. That is helpful, thank you for that.

I have difficulty reconciling some of the information we were given, Will, and that is not your fault, it is just accounting practices and things being ascribed, etc. Can I just dig into this £1.5 million growth issue that has been presented to us in the External Affairs Directorate revenue budget? What do you think that the £1.477 million External Affairs growth is made up of?

Will Walden (Director of Communications and External Affairs): I am sure Sir Edward and Jeff [Jacobs, Head of Paid Service and Executive Director, Communities and Intelligence] will come across me if I am not right.

Valerie Shawcross CBE (AM): Yes, maybe.

Will Walden (Director of Communications and External Affairs): The key thing here was our ambition did not match reality as far as New Year's Eve was concerned and that growth is to do with the fact that in the current financial climate - and the reason I am slightly hazy on this is that this happened slightly before I started - we were not able to secure the level of sponsorship that we imagined we could and that is the bulk of the difference.

Valerie Shawcross CBE (AM): That was one of the things I had difficulty just understanding technically, so maybe Sir Edward and Martin can help me with this because that shortfall in income happened during the 2012/13 financial year. Was it not built therefore into the baseline budget for 2013/14, which is the year we are in at the moment?

Sir Edward Lister (Deputy Mayor and Chief of Staff): It was.

Valerie Shawcross CBE (AM): It was. But then when I looked at the detailed accounts on page 18 on External Affairs, there was a drop in income projected which was between 2013/14 again. Here we go, "Other income: £1.131 million income in 2013/14". I imagine from what you have said, Sir Edward, the baseline shifted to accommodate this loss of sponsorship, but then for 2014/15 that assumption of income goes down again to £411,000. I was not sure whether or not you had assumed that there was going to be a further drop of income or whether or not I had not quite captured it because it was a £500,000 loss, was it not?

Sir Edward Lister (Deputy Mayor and Chief of Staff): There or thereabouts, yes.

Valerie Shawcross CBE (AM): Yes. So did it go into the baseline budget for 2013/14?

Sir Edward Lister (Deputy Mayor and Chief of Staff): I am looking at Martin slightly.

Valerie Shawcross CBE (AM): If so, what is this other drop-back in income between 2013/14 and 2014/15?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Can I tell you what I believe to be the case?

Valerie Shawcross CBE (AM): Yes, you tell me what you think is the case.

Sir Edward Lister (Deputy Mayor and Chief of Staff): We believe right at the beginning of 2013/14 there was a move to outsource the whole of New Year's Eve and there was a belief that it could be sponsored. Subsequently in negotiations and everything that took place, there was some sponsorship obtained for it. I would rather not in this open meeting go into the actual amounts, but there was some sponsorship obtained, but there is an assumption going forward that that limited amount of sponsorship will continue and will not get any better. In effect it was, if you like, a correction that has gone through, so now we are funding New Year's Eve with a small contribution from a sponsor.

Valerie Shawcross CBE (AM): OK. In terms of the shifts in the assumptions between years on how much sponsorship you think you are going to get, if that loss was built into the baseline in 2012/13, there is still another £720,000 assumed loss or reduction between 2013/14 and 2014/15. It just seemed to be a very big piece of money that had gone and I wanted to know whether I was misunderstanding it or when it went.

Martin Clarke (Executive Director of Resources): It is best if I follow up with a note to explain this, but what is making the comparisons not straightforward is at one stage the GLA in its budget had an assumption, an estimate, for income from sponsorship. That was then revised down.

Valerie Shawcross CBE (AM): Down-rated, yes.

Martin Clarke (Executive Director of Resources): But then, going forward, the sponsorship, the intention, to take the New Year's Eve event, that will be a fixed amount to someone who delivers the event and they will provide sponsorship which would come through the GLA. I will follow up with a reconciliation; it will be probably easier.

Valerie Shawcross CBE (AM): Could you follow up with a reconciliation? It looked like we have taken the same loss two years cumulatively is what I mean. I did not quite follow that.

Could you tell us a little bit about the establishment costs, then? I can see that there is a growth in staffing. What was the growth in staffing there?

Will Walden (Director of Communications and External Affairs): Essentially the growth in staffing is three things. It is broadly neutral in the sense that, as I understand it, £210,000 of it was the retention of the Sponsorship Team within my Directorate and what had been planned was that was to move to Jeff's team and so he would then pick up that cost. We decided that given the close working relationship with Martin, we were going to keep it within my team, and as a result it was not in last year, but it is in this year, but it would have been in Jeff's as a result.

Valerie Shawcross CBE (AM): Right, so it is a movement between parts of --

Will Walden (Director of Communications and External Affairs): It is a movement, so it is neutral in that sense.

Valerie Shawcross CBE (AM): It is not a real growth?

Will Walden (Director of Communications and External Affairs): No. Then one other thing, £17,000 is the 1% pay rise recently announced across my Directorate. The £47,000, post the restructure of the External Relations Team, we had scheduled a post for deletion, a digital marketing executive post, but after the restructure began, we reassessed that situation and I decided that we needed to retain that post. Cancellation was not part of the budget last year, but is this year because I have retained that post, and that sum is £47,000.

Valerie Shawcross CBE (AM): OK. So that accounts for all the --

Will Walden (Director of Communications and External Affairs): Yes, so actually it is neutral to the point of £47,000. That is one post we are keeping that we were not that was not in the budget last year.

Valerie Shawcross CBE (AM): Perhaps if Martin could explain to us in writing the movement on the sponsorship assumptions, it would be helpful on that.

Will, you mentioned the website. The GLA upgraded its website earlier in the year. How much did that cost?

Will Walden (Director of Communications and External Affairs): £188,000.

Valerie Shawcross CBE (AM): Why did you do that if you were planning to completely redesign and repackage the whole website later on in the year? You have fixed the car before you have junked it, basically.

Will Walden (Director of Communications and External Affairs): No, what we did was we stopped the car grinding to a halt and thus we can move forward then the bigger scoping exercise. I stress that obviously the money that we may or may not spend on the website is part of the prioritisation process. The stuff that we did was an internal fix to try to get the website working better. That is very different to what we are trying to do in terms of the structural dynamic of the website.

Valerie Shawcross CBE (AM): Was it going to fall over and collapse? I wonder why you would spend £188,000 on something you knew fundamentally needed replacement.

Will Walden (Director of Communications and External Affairs): Yes, the point is that we may still be a long way away - I would hope we are not - from the changes to the website, assuming that the money that I would ideally like set aside for it comes through to allow us to make those changes. What we did back in March, and this process started in January, was there would have been a significant period of time that passed where what I was advised needed to be done to fix the way that the website worked needed to be done then. The changes that we are proposing to make are much

more wide-ranging and based on our user experience research that we are doing at the moment, they are very much about the look and feel of the website, they are very much about making it available to Londoners, which at the moment, it is not.

Valerie Shawcross CBE (AM): So how much extra life do you think you gave to the old website then by that expenditure?

Will Walden (Director of Communications and External Affairs): It is ongoing. Two years.

Valerie Shawcross CBE (AM): Two years. That is two years' worth of funding?

Sir Edward Lister (Deputy Mayor and Chief of Staff): To be fair, it is probably, as much as anything else, keeping it alive.

Will Walden (Director of Communications and External Affairs): That is the problem: keeping it running.

Valerie Shawcross CBE (AM): That was the question, yes.

Will Walden (Director of Communications and External Affairs): Yes, that is what I meant by stopping the car.

Valerie Shawcross CBE (AM): OK. What changes are planned for the GLA website next year, then, and have you learnt anything from the "what looks like a success" on the Government website, the Gov.uk website?

Will Walden (Director of Communications and External Affairs): I think in doing this, in doing the user experience work, effectively what is being done at the moment is the architecture around it. We want to improve the design, the functionality and the long-term planning of the website to make it more usable, but I have to say to you that that work is ongoing and will be finished in February. The whole point, the reason we failed in the past, as I mentioned briefly earlier, was that we have come up with an idea in terms of website restructure, but we have not consulted anybody about it, so we have not really consulted the building. We have not consulted the GLA stakeholders. We have not consulted the GLA family. Most importantly, we have not consulted Londoners. That is why it has failed in the past. I will be able to give you much more on our direction of travel in terms of website restructure when this work is completed in February and that will provide the architectural template for the work that needs to be done, assuming that it is considered a priority and we move forward by doing it.

You talked about KPIs earlier. One of the key things for me in this is that, in my mind, we failed in the past to do it correctly. By doing it this way, I sincerely hope that this will be a long-term solution to our failure to engage Londoners. This will not be just for the benefit of the Mayor or the Authority. It will be to the benefit of the Assembly and future mayors, so I believe myself that this will be a significant sum of money well-spent, hopefully, as a one-off for the future.

Valerie Shawcross CBE (AM): We appreciate the Assembly has been consulted and is being consulted on this one. But just to play devil's advocate for a minute - I know John likes this - given that the Government has managed under one portal to provide access to all of the different

Government departments, why are we still having a GLA website, a TfL website, a Fire Brigade website and a Metropolitan Police Service website, which is medieval?

Will Walden (Director of Communications and External Affairs): Some of you heard it before from me. For the benefit of those who have not been at Bureau of Leaders, for example, the reality is we have worked to bring a lot of the family within that. One of the things that we have done and are doing is developing a drop-down box on each of the major family websites that directs you to the Mayor and the mayoral brand and also to the GLA or City Hall, as I think Darren [Johnson AM] and I like to view it, because the GLA is not recognised as a brand. That is hopefully going to drive more traffic from the likes of TfL. We are doing it with the Metropolitan Police Service, we are doing it with the LLDC, we are doing it with L&P, we are doing with it LFEPA and TfL. The reality of the situation is as the Government have done for the cost of £18 million, if we were to develop one catch-all website for London, I know that the likes of MayorWatch are very keen on this sort of thing and ultimately it would be a great thing to do, but we think that the cost would be prohibitive. We think that, as Government demonstrated, bringing it all together for £18 million --

Valerie Shawcross CBE (AM): You do not think there would be any long-term savings under the shared services agenda?

Will Walden (Director of Communications and External Affairs): It is a very difficult thing to do.

Valerie Shawcross CBE (AM): Have you done the business case looking at this?

Will Walden (Director of Communications and External Affairs): We have not done the business case specifically looking at the costs for that integration. Part of the problem there is that you have particular websites, say in the case of TfL, that are so uniquely branded now that actually taking that within london.gov or a dot london portal, we would have to look in the business case as to whether that might actually be damaging to the TfL website in the initial stages, and whether by bringing it closer, you end up actually confusing people. I take the point. Maybe it is worth going away and doing the business case for it. We believe it would be, based on the Government example, prohibitively expensive compared to very much improving london.gov and linking the family websites in a much more integrated way.

Some of the other work we are doing just on that is to make the look and feel of all the other websites much more similar to ours. We are going to work with the look and feel of our website to make sure that it looks much more family-branded. Part of the problem we have is that they all look different and you would never ever associate them as being together. It is a laudable ambition to bring it all together. It is something we could look at the business case. All the indications are that it would be hugely expensive and hugely time-consuming.

Valerie Shawcross CBE (AM): In terms of the Government, do you think their separate Government departments were not as strong therefore as TfL? They managed to do it.

Will Walden (Director of Communications and External Affairs): It is a very different service. What you are dealing with in TfL is a transport provider for mass transit with the biggest movement of people anywhere in the country.

Valerie Shawcross CBE (AM): You talked a lot about the hits. How many hits does the website currently get a week?

Will Walden (Director of Communications and External Affairs): It gets 194,000 a month, of which only 75,000 are Londoners.

Valerie Shawcross CBE (AM): What do you think ought to be achieved by the time you have got through all of this?

Will Walden (Director of Communications and External Affairs): As I say to you, I hesitate to put a number on that. I would want to see satisfaction --

Valerie Shawcross CBE (AM): Do you want it to be double?

Will Walden (Director of Communications and External Affairs): Do I? I would love it to be double, but am I telling you that it is going to be? No.

Valerie Shawcross CBE (AM): What is your best wish and your worst fear?

Will Walden (Director of Communications and External Affairs): OK. These are wishes and fears, are they?

Valerie Shawcross CBE (AM): Yes. I have to get some information out of you, Will. Come on.

Will Walden (Director of Communications and External Affairs): You are doing very well in terms of dragging it out of me.

Valerie Shawcross CBE (AM): What would be your dream figure and what would be your nightmare?

Will Walden (Director of Communications and External Affairs): My best wish is that we would reach as many Londoners as possible.

Valerie Shawcross CBE (AM): OK, you are starting to sound like a mayor now. Can we have --

Will Walden (Director of Communications and External Affairs): Val, my worst fear is that in coming for my yearly grilling with you next year, you will sit here and tell me that my numbers have reduced. I do not want that to happen and I do not expect that to happen. We are going in the right direction.

Valerie Shawcross CBE (AM): What would be your best hope in terms of figures or proportion?

Will Walden (Director of Communications and External Affairs): As I say, I want to reach as many Londoners as possible.

Valerie Shawcross CBE (AM): OK. You are spending a lot of money here, so the Londoners who are funding this want to know what you think you are going to achieve.

Will Walden (Director of Communications and External Affairs): As I say, I want to improve satisfaction so that we reach many more Londoners and, in that being satisfied, many more Londoners themselves point others to our website.

Valerie Shawcross CBE (AM): Why do you think that the current 194,000 is poor, then? You must have a metric in your head for thinking, "This is not very good. We have spent all this money and that could be better".

Will Walden (Director of Communications and External Affairs): No, the thing that dictates why it is so poor is that 62% of people navigate away when they reach the front page. That tells me it is poor. Is that a good metric for you?

Valerie Shawcross CBE (AM): That is a very useful explanation, Will.

Will Walden (Director of Communications and External Affairs): Very good.

Valerie Shawcross CBE (AM): You are saying what you want to see is not necessarily more hits but actually people staying longer on the website?

Will Walden (Director of Communications and External Affairs): Sure. There is a difference between more hits. The point is that if someone stays and uses it more effectively and visits five, six, seven, eight, nine pages, then that is a measure of success. If the overall numbers stay the same but people are doing that, that is a measure of success, but would I like to increase the numbers using it? Absolutely, and retaining them to search more than the front page or go, "Oh good, we are here". One of the most telling things is if you put "London" into Google, the City of London website comes out as number one.

Valerie Shawcross CBE (AM): Yes, they are paying for that, I should think.

Will Walden (Director of Communications and External Affairs): I do not think they are.

Valerie Shawcross CBE (AM): You do. You pay to have your thing come on top.

Will Walden (Director of Communications and External Affairs): It is also based on metric data. New York has recently, at considerable cost, relaunched its website and it has gone straight to number one on the search engine, so I do believe that if we can be at the top of that front page, if we can have a website which is more credible that more people are hitting, then we are doing the right thing.

Valerie Shawcross CBE (AM): Do you think the dot london suffix will help us then?

Will Walden (Director of Communications and External Affairs): It will certainly help London business in promoting London. I wonder if it is a bit difficult to be london.london. It is something we can review.

Valerie Shawcross CBE (AM): Chair, I do not know what you feel about that exchange, but in and amongst the KPIs it would be good to actually have your objectives laid out in terms of --

John Biggs (Chairman): You see, I cannot think of that many reasons why people would want to go to the london.gov website because it does not provide --

Will Walden (Director of Communications and External Affairs): Is the case proven?

John Biggs (Chairman): It does not provide many direct services. We do not empty people's bins, for example.

Valerie Shawcross CBE (AM): We are not arguing with the general thrust of what you are saying. I am just saying we would like to have some metrics around what is good.

John Biggs (Chairman): Perhaps we should start emptying bins.

Will Walden (Director of Communications and External Affairs): To be honest with you, obviously a bin collection is a borough matter. Perhaps what we need to do is make sure that the functionality of the website means that we can navigate better to borough websites or, indeed, better to local bin collections. If that is what Londoners want to know about, then we need to --

Valerie Shawcross CBE (AM): That becomes a London portal, then, which is going back to the london.gov.

John Biggs (Chairman): We have been there before, yes.

Valerie Shawcross CBE (AM): Just a quick follow-up question I should have asked you earlier on the Sponsorship Team. You have hung on to them. That is what you have said, Will.

Will Walden (Director of Communications and External Affairs): Yes.

Valerie Shawcross CBE (AM): We have clearly a big problem in having to downgrade our estimates of sponsorship.

Sir Edward Lister (Deputy Mayor and Chief of Staff): For New Year's Eve.

Will Walden (Director of Communications and External Affairs): For New Year's Eve, yes.

Valerie Shawcross CBE (AM): Oh, so it is just for New Year's Eve? Is there a forward plan to try in the future to recapture some of that sponsorship?

John Biggs (Chairman): That superb Emirates model.

Will Walden (Director of Communications and External Affairs): In specific regard to New Year's Eve, do you mean?

Valerie Shawcross CBE (AM): Yes, if that is where the problem is, yes.

Will Walden (Director of Communications and External Affairs): In terms of New Year's Eve, what we are doing is working with the delivery partner. In terms of the agreement going forward, they have become responsible for securing that sponsorship, so the onus is very much on them to

deliver. If they do not, then they meet the funding requirement. What it means is that roughly at the moment we are looking at around 15% of the overall budget being secured in sponsorship. Clearly, it is in the interests of the provider of New Year's Eve who we retain to try to improve that sponsorship margin to bear down on the overall cost of the event. They will continue to do that, but in the current climate that is very, very difficult to achieve and it has been proved by the problems that we had last year.

Sir Edward Lister (Deputy Mayor and Chief of Staff): Could I just, if I may, come in? There is something we do have to recognise for New Year's Eve: the numbers involved are beginning to be so enormous that there is an increasing cost level to the whole thing in stewarding and managing the event. There are two pressures: one, we have been trying to get sponsorship to reduce it and drive the cost down, but on the other hand the costs are rising significantly.

Will Walden (Director of Communications and External Affairs): Just to add to that, its popularity continues to grow and in terms of value in kind, in my mind, as it comes under my team, it is an essential event for London. It delivers £20 million on the night in terms of spend, an additional £10 million across the UK and it is being seen all around the world. The reality of the situation is that costs continue to rise at a time when sponsorship is very difficult to achieve.

John Biggs (Chairman): Thank you. That was the warm-up. We recognise you have inherited a dreadful legacy from your predecessors but, as we look at the discussion, you have not actually told us how much the upgrade of the website is going to cost or whether there is actually a bid in there. We will come to that in a second.

Will Walden (Director of Communications and External Affairs): Sure. Until the user experience (UX) work is complete, we cannot with any certainty give you the figure, but we believe it will be up to £2 million.

John Biggs (Chairman): £2 million. That is a lot of money. If we look at appendices 4 and 5 of the GLA document, it has savings proposals and growth proposals, but it does not have that amongst them. There is not a growth proposal.

Will Walden (Director of Communications and External Affairs): Sir Edward will say something, but essentially it is not in there at the moment because it will form part of the prioritisation process, so it is currently part of that.

John Biggs (Chairman): So, separate from growth proposals, which are sort of itsy-bitsy structural things, although some of them are quite substantial like staffing arrangements, there are bigger projects which require growth bids, if you like. There are these growth bids on the invisible appendix 5A which we do not have in front of us. Is there a growth bids programme in place?

Sir Edward Lister (Deputy Mayor and Chief of Staff): "Pressures" is probably a better word.

John Biggs (Chairman): "Pressures"? OK. But that is a pressure, a ghost pressure?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Yes. Hopefully, when we come back to you, we will have moved the prioritisation list into some firm proposals which will then be translated into the budget.

John Biggs (Chairman): The pressures will include the London Waste and Recycling Board, this and the LLDC, so there are some external ones but the poor GLA will be the funder for them?

Sir Edward Lister (Deputy Mayor and Chief of Staff): Yes.

John Biggs (Chairman): My question is to Mr Jacobs on this quaintly-named Communities and Intelligence (C&I) department. It is a bit like the Central Intelligence Agency (CIA), I suppose, but the C&I department. There are three chunks to this. Obviously I am going to be very gentle with you on this because I do not know anything about it. What progress has been made on developing an education plan and on targets for expenditure on education at the GLA? That has been very extensively exercised elsewhere at GLA Oversight Committee, so this is a quick question on budgets.

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): I will just try to do a whip through it. The concentration of activity on the education work is the activity relating to the Education Delivery Plan that we published in February, which in turn relates to the Education Inquiry which was published in the previous October, which made a number of recommendations, all of which are being followed through as the delivery plan asked us to do. Broadly speaking, they split into a bunch of activity which is about promoting good teaching in London schools on the one hand and, secondly, about work around a good school place for all kids.

The first group of activity is on promoting excellent teaching in London schools. The biggest element of that is the London Schools Excellence Fund, which we set up with £20 million given to us by the Department for Education (DfE) and £4 million supported through our own budget. The first raft of agreements was issued in October. We have awarded £11 million worth of monies so far to just over 60 projects and they will get going. With that application process having got as far as it has, next year in 2014/15 we will be in full delivery mode of the London Schools Excellence Fund (LSEF) and we will have therefore a large number of projects, a school-to-school programme of shared learning. There are some case studies now of some of the schemes that been approved on the website and we are putting in place a full evaluation programme so that we can see whether we are getting what we need out of this programme.

The other bits of this part of the Delivery Plan are the Gold Club, where a substantial number of eligible schools have already been ratified as members. There will be certificates for those that have been recognised given out at a major education conference that is going to be held this month, 22 November, and we will push that programme forward next year again to increase the target of the number of recognised schools. There is work proceeding on the London Curriculum; there is work proceeding on the conference that I have just mentioned, which is going to be an international conference and will also involve the Secretary of State [for Education] here; and we have already published the first annual education report to go with it. That bunch of activity is all about promoting excellent teaching in London schools.

Secondly, as I said, there is a set of activity associated with school places. We all know what the demand is and that demand is outstripping supply, which is why we have worked heavily with London Councils this year and managed to get £260 million extra allocation. We are doing work on school roll projections pan-London, so it is the clearest picture we can possibly get. We have just published a School Atlas which will give a clearer picture of what is going on both in terms of performance and demand across schools. And we are of course carrying on with the support given,

including financially, to the four Mayor's academies and to help set up free schools. Most of that is associated - which I have tried to whip through very quickly - with this Education Delivery Plan that I said we published earlier in the year and our target is to deliver the delivery plan.

There is a separate bunch of activity which I do not think we should overlook, which is to do with what we are doing more generally on youth support. That includes stuff to do with behaviour, stuff to do with [young people] Not in Employment, Education or Training (NEET), stuff to do with volunteering. I am thinking, for example, of the Mayor's mentoring programme and that is discussed in another part of this organisation, GLA Oversight Committee. We are coming back to that shortly with another report and have recently discussed it at the Audit Panel with you, John; I am also referring to the YOU.matter programme, where we have been trying to get adult volunteers to help with uniformed groups with a great deal of success; the Leadership Club activity in schools, previously known as Supplementary Schools; and the ESF youth programmes. There is a whole lot of activity with numbers of kids associated with all that activity. I will stop for a minute.

John Biggs (Chairman): Most of that stuff does not have ongoing revenue implications.

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): Yes, quite a lot of it does have ongoing revenue implications.

John Biggs (Chairman): It does? All right, go on. I suppose I was thinking of the Schools Excellence funding.

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): Yes, that is correct. That is absolutely right and we have budgeted for that. As I have said, we had £20 million from DfE and no doubt, if we can get more, we will try.

Stephen Knight (AM): The Mayor said a couple of weeks ago at Mayor's Question Time that tackling the low rates of parental employment and availability of childcare was, in his view, the second most pressing issue in London, second only to housing. Indeed, I believe the LEP is developing a strategy on this subject. Where, if anywhere, within the budget is there some resources allocated to tackling childcare availability and affordability issues?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): There is not any, to my knowledge. If there were, it would come through the LEP, I expect, but there is not any, no.

Stephen Knight (AM): There is nothing in here at all?

Martin Clarke (Executive Director of Resources): Part of this funding not in the GLA budget is the European Structural Funds. That is the route which we manage as a Government agent so that would not show in our budget, but there is programmes directed --

Stephen Knight (AM): There is very little in there, is there not, on this subject?

Martin Clarke (Executive Director of Resources): There is not much. Yes. I do not have the figures, but that is where the major programme would be, though.

John Biggs (Chairman): I have two other little question areas. The first one is we have a £3 million fund for improving London's bidding power for sporting events. Explain.

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): That is a potential issue.

John Biggs (Chairman): A growth bid?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): It is a potential pressure. We indicated in the draft budget that there was a potential issue about international sports events. This is quite separate, just to be clear, from the money we are spending on grassroots sports activity. We are talking here about major international sports activity.

John Biggs (Chairman): Is there a particular event on the horizon that you are looking at?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): We have won a number of international sports events: the Track Cycling World Cup in 2014, the Rugby Union World Cup 2015, the three major hockey events we have just won, including the Women's World Cup 2015.

John Biggs (Chairman): We want to improve our bidding power, so we want to create a --

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): There are about 30 of these things around over the next few years and what we have got to decide is how much we go for and whether or not, against what we are already committed to, we should have more resource centrally focused in here to support such bids.

John Biggs (Chairman): Is this a job for L&P?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): Up to a point. Clearly they are part and parcel of the promotional activity on this, but we have here a Major Sports Event Team, which is also the team that look after the grassroots sports activity very successfully. We do need a central sports strategy for international events. We have bits of this being done in different places at the moment: TfL bang in some money towards some of the cycling activity, for example; L&P put in money and time and effort on some activity. The LLDC equally have been budgeting for expenditure, because we are clearly interested in using the Olympic facilities in the Park. There is an issue about oversight and management of this which we have been addressing.

John Biggs (Chairman): The implication is that we feel we are under-performing in this area?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): No. Actually, we are performing extremely well on winning. It is a question of how much more we should try to win and what degree of effort we need to put into it. Other cities here in this country, Birmingham and Manchester, do address this stuff in slightly different ways and we have been looking at whether we should.

John Biggs (Chairman): OK. Are you talking about funding in order to bid to win or funding in order to --

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): Bid and the hosting.

John Biggs (Chairman): And the hosting costs because, if you take the athletics thing that is coming fairly soon, is it someone else's budget or does City Hall have to start worrying about that?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): We are both a funder and an underwriter for the World Athletics Championship 2017 and the International Paralympic (IPC) Championships, so we are pretty involved.

John Biggs (Chairman): The liabilities are --?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): There is real money committed to that.

John Biggs (Chairman): The potential liabilities are into seven figures or eight figures, even?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): Certainly six.

Martin Clarke (Executive Director of Resources): Seven.

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): Seven.

John Biggs (Chairman): Not eight?

Martin Clarke (Executive Director of Resources): Not eight.

John Biggs (Chairman): OK, that is helpful. The final question then from me is that Team London is aspiring to double the number of volunteer opportunities. It does not have a programme budget, so I just wanted publicly to pay tribute to their prowess in doing this without any money.

Valerie Shawcross CBE (AM): It is volunteering, John.

John Biggs (Chairman): Yes, OK, but how have they managed to do this?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): Primarily because we managed to make use of some Olympic underspend.

John Biggs (Chairman): There is some money?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): We have agreement from the Government to use £1.3 million and some of that is still available and rolling over and, secondly, we had sponsorship from the Ruben Foundation at the time for a couple of million pounds. The answer to your question is we will continue with the underspend that is still there. There is still some, but it is a City Operations programme that we have --

John Biggs (Chairman): OK. There is money, but it just does not appear in the budget?

Jeff Jacobs (Head of Paid Service and Executive Director, Communities and Intelligence): A bit and we will continue to try to get corporate sponsorship.

John Biggs (Chairman): Yes. Are you happy, Mr Clarke, that people are spending money that does not appear in your budget?

Martin Clarke (Executive Director of Resources): It is not committed. They have not committed over and above the budget that they have.

John Biggs (Chairman): OK, but it does not seem to appear in a budget line or does it?

Martin Clarke (Executive Director of Resources): It should do in the programme line.

John Biggs (Chairman): We do not think it does, my expert here tells me. Which line would it be? We have appendix 3, programme revenue budgets, "Team London, zero budget 2014/15".

Martin Clarke (Executive Director of Resources): We have not adjusted these tables for figures that will be carried forward because the City Operations programme underspend occurred in 2012/13 and across the board we have not adjusted the figures for funds that will carry forward, but they will be shown in the next iteration of the GLA budget.

John Biggs (Chairman): You have given us duff information, in other words?

Martin Clarke (Executive Director of Resources): The aim was to try to avoid confusing when figures moved when they were just moving between years, but we will make it clear in the next iteration.

John Biggs (Chairman): All right. Are there any other questions from any other Members? We have worn each other down? OK. Can we thank you very much for your answers? We will write to you and ask you yet more questions, so thank you very much and I hope you have enjoyed yourselves as much as we have this morning.