

**London Assembly (Mayor's Question Time) – 23 February 2015****Transcript of Agenda Item 4a – Final Draft Consolidated Budget 2015-16: Report of the Mayor**

**Boris Johnson (Mayor of London):** Just focusing on the changes, the Assembly proposed an amendment to reinstate the off-peak Pay-As-You-Go daily cap for outer London by getting rid of or interfering with what we are proposing to do with council tax. I have looked at that amendment and I have decided that that is not the way forward. What I do want to do is slightly to vary the fares package in the light of the discussions that we have had. As I promised to do; I said I would look at it and we have explored the problem.

As everybody knows, the overwhelming balance of the effect of these measures is positive. Huge numbers of people across London benefit from the daily cap, which we considerably reduced. For many people, that amounts to a saving of several hundred pounds a year. About 200,000 people in London benefit from that change, which was intended to help part-time workers. I thank Members of the Assembly who have campaigned on that from all Groups, particularly, of course, GLA Conservatives, who have been at the forefront of this argument.

Nonetheless, there were a small group, as has been pointed out, who did see their off-peak daily caps go up. The question was how we could address that problem. We have come up with a solution, which is that from April all part-time workers will benefit from fares reductions introduced in 2015 when a new automated refund will be provided to any customers who incur a higher fare than Transport for London's (TfL) former Pay-As-You-Go daily off-peak caps in Zones 4 to 6 twice or more in one week or eight times or more in a four-week period. What we are trying to do is to help those people who are part-time workers. That is the objective of the policy; it is to help those in part-time work. They will get a refund, including for the period from 2 January 2015. That refund will appear at least once every four weeks and will be delivered automatically by TfL in the sense that it will go on their Oyster card balance, meaning customers are not required to take any action.

I hope that that does allay some of the anxieties that are being brought to me by Members from across the city. There are, as I say, a small number of people who did see their off-peak cap go up. We have gone a long way to address that problem. This is designed to address particularly the needs of part-time workers.

I would further point out that the impact of the borough returns on council tax and business rates has been unexpectedly favourable. Members of the Assembly should know that there is now £66 million more than had been assumed in the last version of the budget coming in from the council tax and the business rates. You will remember, Members of the Assembly, that we have been in this position before. We have been in a position where it looks as though we are flush with cash and then actually those receipts that appear to be promised diminish and dwindle away. Therefore, we need to be very cautious about this apparent good news.

What I can say is that if and when it becomes clear that these sums really are going to be in our accounts, as it were, and really are available, we will be looking at a number of possibilities for expenditure such as renewing the Outer London Fund, for instance. I know that that has been one of the most popular projects we have engaged in in London. We will certainly be looking at another big round of the Outer London Fund. We will obviously be looking at the new national music centre that Sir Simon Rattle [British conductor] and I have discussed with the Chancellor. In the short term, we are proposing to pass on £2.4 million to the Mayor's Office for Policing and Crime (MOPAC), with £1 million earmarked to pay for the cost of the council

tax discounts for special constables. I am sure the measure will be appreciated by special constables across the city. That is where we are at the moment. The balance of the extra we are proposing to add to the Mayor's Resilience Reserve for the time being.

I would just say with respect to other amendments that the Assembly has passed and proposed that I have listened to what has been said about street markets and we will ensure that a minimum of five street markets will collectively receive £1 million. We will encourage bids to deliver affordable housing on infill development for at least £5 million of Greater London Authority (GLA) grant funding. On the proposal - I think it was from the Green Group - that there should be a special solar unit, I would just point out that the RE:FIT and RE:NEW programmes already have delivery units to support solar and so we do not see any particular requirement for a new unit, I am afraid to say. On the cycling budget, TfL is proposing to spend already 4% of its net expenditure, excluding Crossrail, on cycling in 2015/16 and so I see no reason to vary that. It is a good sum to be spending.

Just to conclude, Roger, in spite of the caterwauling you heard earlier, this is a budget that will continue our delivery of a record number of affordable homes for Londoners of all income groups. It will help us to continue with what has been an unprecedented programme of investment in transport infrastructure and to continue to take forward the successful and sustainable development of the greatest city on Earth. I commend this budget to the Assembly. Thank you.