

## London Assembly (Plenary) - 27 January 2016

### Transcript of Agenda Item 3b – Draft Consolidated Budget 2016/17 – Response by the London Assembly's Budget and Performance Committee to the Mayor of London's GLA Group Budget Proposals and Precepts 2016/17 Consultation Document

**Jennette Arnold OBE AM (Chair):** Before I invite the Chairman of the Budget and Performance Committee, Assembly Member Mayor John Biggs, to present the Committee's report, can I make the Assembly aware? Subsequent to the publication of the agenda, the Budget and Performance Committee made a minor correction to its report, namely to replace the final sentence of paragraph 4.6 with the following:

*"We heard from TfL [Transport for London] that it has taken this on board and is taking a far more hands-on approach with the new contract. It has assumed responsibility for the delivery of some key elements of the programme, allowing the new contractor to focus on its core strength: the signalling system."*

That will then become part of the record. Can I ask the Assembly just to note that amendment?

**All:** Noted.

**Jennette Arnold OBE AM (Chair):** Thank you. Can I call now on Assembly Member Mayor John Biggs to present the report on behalf of the Assembly's Committee?

**Mayor John Biggs AM:** Thank you. Bewildered members of the public need to note that the standing orders require me to stand while the Mayor sits.

On a 'juddering climax, I cannot resist the opportunity while I have the floor to say that if you are a bus passenger in my constituency travelling through Aldgate, it is more of a perpetual gridlock than a juddering climax. As we reach the culmination of the Cycle Superhighway and the Corporation of London works there, it is a nightmare for many people and so we need to focus on that. However, my job is to be non-party political and to speak on behalf of the Budget Committee [Budget and Performance Committee]. I find that very hard, but I will try to do it.

It is worth us noting that this is the Mayor's final budget, as he has said, and this is the first time that we have had a sitting Mayor who has presented his final budget with the intention of not being here in two months' time. It is an unprecedented position. We are in a 'dog days' period while we are waiting for the glass shoe in the middle of the floor to be filled by whoever becomes the next Mayor.

This raises a number of contextual issues and so our Committee has met on several occasions to consider the budget proposals. The headline, in our view, is the proposal to cut the tax overall by 10% over the mayoral term, which the Mayor has achieved with a 19% reduction. It is worth noting that many of the London boroughs – and I am involved with one or two of them – are going to use this to help to cushion the rise in council tax that most of them are enacting. Therefore, overall Londoners may see relatively little change in their council tax, but that is a matter to discuss elsewhere. The Mayor is fulfilling that promise. However,

there are a number of others that we note have not been fulfilled, in particular the 250,000 new apprenticeships. We appreciate that there are challenges with that, but all mayors face choices.

One of the biggest problems that the future Mayor has and that the current Mayor has been grappling with is TfL's finances. TfL has historically been seen as a 'cash cow', as a colloquial term, in that it has been rather flush with resources. The Government has decided to end its revenue grant for TfL in 2018/19, several years earlier than anticipated. TfL has always used its resources to help to fund the capital programme and the expectation in TfL and in the Mayor's Office was that we would get additional capital resources. They have not materialised, which means that there are some very tough choices and roughly £1.1 billion of capital works, which are as yet to be funded. It does not mean that they will not happen, but it is another challenge for the next Mayor to deal with. This is compounded - and the Committee was unanimous in our concern about this - by the problems raised by the Bombardier contract, which present another potential cost of over £1 billion to TfL. It is one of those things, but it needs to be managed very carefully.

Another area of concern is housing and the Mayor has spoken of his achievements and targets. The ways in which the Mayor can invest in affordable housing are changing, which will have consequences in the future. This is something that the next Mayor needs to deal with. We are waiting for this Mayor to publish more details about his plans for new Housing Zones, which is one of the vehicles for achieving this.

On the [London] Fire [and Emergency Planning] Authority (LFEPA), the Mayor has very helpfully given guarantees for funding the fire service over the next few years. Obviously, the next Mayor will not be bound by those guarantees, but one would hope that they will be. There are, nevertheless, tough choices for LFEPA, or its successor, because there are pressures on the fire budget and another review taking place, and so tough choices ahead.

On the police budget, everyone in this room until about two months ago was anticipating massive budget pressures for the police and great difficulty for whoever the next Mayor is in maintaining police numbers. That will still be a big pressure, but the Chancellor [Chancellor of the Exchequer, Rt. Honourable George Osborne] has gifted all police authorities with additional funding, which means that there is some delay in that decision. There are some tough choices with another £400 million or so to be saved over the next few years. I would repeat something that my Committee has said time and time again over the years, which is that we do get mesmerised by the debate about police officer numbers, which are very important, but we need to think a little bit more roundly, certainly in my opinion, about what we call 'policing capacity' and the ability to provide safe streets for Londoners, whether that is by people in uniforms or otherwise. There is a risk of creating a lopsided service if we are not careful.

Finally, then, I am going to end on a controversial note. This is Boris's last budget. It is also my last one as Chairman of the Budget and Performance Committee. We have had a pretty good time consensually. It is a tragedy that I am going but I have other things to do. One thing that I have found, though - and this is a very relevant point and some people may not like to hear it but I feel duty-bound to make it - is that I have found it incredibly hard balancing my other responsibilities as executive Mayor in Tower Hamlets with my duties as an Assembly Member because of the pressure of time. I would put that it is essentially impossible for a city-wide executive Mayor to balance that with work as a Member of Parliament (MP) and that that has been a challenge in terms of the attentiveness. I know that you have a gargantuan mind and an ability for an infinite capacity of work, but even that has been stretched, in my opinion, by the last few months.

Thank you very much for indulging me and it has been a pleasure serving the Assembly in this capacity.

**Jennette Arnold OBE AM (Chair):** Thank you very much, Assembly Member Mayor Biggs. Can I ask the Assembly to note the response by the Budget and Performance Committee to the Mayor's draft consultation budget for 2016/17 as amended?

**All:** Agreed.