

## London Assembly (Plenary) - 25 January 2017

### Transcript of Agenda Item 3a – Draft Consolidated Budget 2017/18 Report of the Mayor

**Sadiq Khan (Mayor of London):** It is a pleasure to be here today to answer the Assembly's questions on my first budget.

I have wings this morning. I have my Chief of Staff David Bellamy and Executive Director of Resources Martin Clarke here with me today to help ensure that I can answer all of your questions as fully as possible.

This budget sets out my plans to ensure that all Londoners get the opportunities that our city gave to me. It aims to support our city's growth and it is built around my vision of a London where everyone has the opportunities they need to fulfil their potential. I cannot mention everything in my opening remarks, but I will briefly touch upon a few highlights.

The budget sets out a record-breaking £3.15 billion investment to support 90,000 new genuinely affordable homes over the next five years, the first step on the long path to fixing the housing crisis. It sets out plans to freeze all Transport for London (TfL) fares for four years and to continue the new Hopper bus fare. This helps put right years of fare hikes.

It sets out how I will maintain the strategic target of 32,000 police officers across London, despite significant Government cuts, with more focus on neighbourhood policing. Maintaining the strategic target will be extremely difficult, particularly if the Government makes further cuts to London policing as a result of changes to the police funding formula expected later this year or fails to reimburse us fairly for our role as a National and International Capital City (NICC). I will do everything in my power to do so. I would urge Assembly Members from all parties to join me in my efforts to persuade the Government not to implement further cuts to London police force.

This budget sets out how I will tackle London's filthy air by doubling the amount spent on improving air quality to £875 million. I know that the Conservative Assembly Group has now opposed almost every measure we are introducing to tackle air pollution in London - which kills more than 9,000 Londoners every year - and I am sorry that they are putting party politics above public health. I sincerely hope they will support the Greater London Authority (GLA) funding that makes it possible to tackle our filthy air.

The budget also includes significant investment in modernising our transport infrastructure, including the biggest Tube capacity growth London has ever seen. It includes an additional commitment of £4 million for culture, a new Skills for Londoners taskforce, plans to make walking and cycling easier and safer, and a new target to dispatch a fire engine within 10 minutes to any incident 90% of the time.

Achieving all of this in the face of ongoing Government cuts will require some extremely difficult decisions. I will not tolerate inefficiency with public money and so I have thoroughly reviewed spending plans across the GLA group.

I want to thank Assembly Members for their involvement through the budget process. I want to thank the Budget and Performance Committee for its pre-budget report and Assembly Members from every party for their continued engagement. I give particular thanks to Assembly Member Bacon for his constructive approach, so far.

We have already made significant changes as a result of your work and scrutiny. For example, since sitting before the Budget and Performance Committee, I have now increased the contingency budget for the Old Oak and Park Royal Development Corporation (OPDC) from £1 million to £2 million. This means that the OPDC can now receive the full amount it requested from the budget if its new chair demonstrates that this is required.

I have received persuasive representations from Assembly Member Duvall and the Labour Group about how we can support provision for English-as-a-second-language training, improve broadband provision across London, make childcare more affordable and alleviate food poverty. As a result of these representations, I have commissioned more work from officers and we will work to ensure that this is reflected in the GLA programme budgets and outputs in the final budget.

I know that Assembly Members from many parties are passionate about community housing and I have had particularly persuasive representations from Assembly Member Copley on this issue. We are currently out to consultation on my estate regeneration strategy and so now is the wrong time to be prescriptive about an exact solution. However, my Deputy Mayor for Housing [and Residential Development], James Murray, is keen to discuss how we can best progress this work. We will look again at the support we give to councils following their feedback to the current consultation.

Finally, I would like to remind Assembly Members that this budget sees a major change with £1.1 billion of funding being received through business rates instead of Government grants. The new valuation list introduced by the Government and the very high appeal rate in London mean that it is very difficult for local authorities and the GLA to predict business rates income. Several London boroughs have said that they are simply unable to produce a formal estimate despite being required to do so in law. Therefore, before considering any spending allocations, it was necessary to set aside an appropriate sum in a business rate reserve. This is a significant commitment but absolutely necessary to manage the real risk that we have already spent money being clawed back from us. We are working to convince the Government to introduce a more sensible system. Meanwhile, we must be prudent and responsible as we manage Londoners' money.

Thank you for your contributions to the budget process. I look forward to answering your questions, Chairman.