

London Assembly (Plenary) - 25 January 2017

Transcript of Agenda Item 3b – Draft Consolidated Budget 2017/18 – Response by the London Assembly's Budget and Performance Committee to the Mayor of London's GLA Group Budget Proposals and Precepts 2017/18 Consultation Document

Assembly Member Bacon, the Chairman of the Budget and Performance Committee, will now respond.

Gareth Bacon AM: Thank you, Mr Mayor, for your remarks. As Chairman of the cross-party Budget and Performance Committee, I am here to set out the main points for consideration that we identified in our scrutiny of the Mayor's budget.

Everyone will be aware that this is the new Mayor's first budget and, although I have sat on the Budget (and Performance) Committee for seven years now, this is the first time that I have led the scrutiny process. It is fair to say that the Committee had some overarching concerns this year with both the quality and the availability of information provided so far throughout the budget process. It has been a moving feast, but it is information that we require to scrutinise the budget proposals effectively.

As an example of that, the Mayor has instituted a new formal procedure as part of the budget process, something that we have colloquially referred to as the 'Star Chamber process'. I should say that it is perfectly reasonable for the Mayor to state that he should receive private advice on matters - including budgetary matters - and we would not quibble with that. However, by publicly making it part of the formal process, it is equally reasonable for the Assembly to request sight of this information.

In July last year [2016], we asked to have sight of the initial budget proposals that the GLA group had submitted under this process. The Mayor denied that and continues to block the release of those documents. In September [2016], we asked for details of the changes that TfL has made to its capital investment plan to accommodate the Mayor's priorities such as the fares freeze. Last week we finally received some of the information that we requested in September and last night a further batch of information was released, but we still do not have a clear picture of what transport projects have been delayed or cancelled in order to balance the budget.

The Committee has also been disappointed with the way that the large cut to the OPDC's budget has been presented in both iterations of the draft budget.

Our most recent report on the Mayor's consultation budget, which Members have in front of them today, presents several key findings from our scrutiny of the Mayor's budget proposals. We noted that the Mayor will not make his strategic target of 32,000 police officers - a subject that he touched on in his opening remarks - because the Metropolitan Police Service (MPS) will not have the budget to fund them. The Mayor has recently stated that the safety of Londoners will be put at risk if the Government fails to provide the funding it needs and I therefore hope - and will support the Mayor in pushing the Government - for a favourable policing settlement for London, as he did with the new affordable housing settlement.

Throughout the budget process, we have questioned the performance of the mayoral development corporations (MDCs). The Mayor is proposing to cut the OPDC's baseline budget by 40%, which is quite a radical change for the agency in charge of the largest regeneration site in the United Kingdom (UK). We do

note - as the Mayor has touched on - that, in response to our recent report, the Mayor has moved and doubled the level of contingency funding available to the OPDC from the £1 million originally planned to the £2 million that he just outlined.

Turning to east London, the London Legacy Development Corporation (LLDC) continues to require funding from the GLA and the prospect of it becoming self-funding any time soon, we would say, is slim to none. We are disappointed at the continuing rising costs of the London Stadium, but we do welcome the Mayor's plans to carry out an investigation into the various issues surrounding the Stadium. We believe that it is crucial that this review also includes an assessment of the lease agreement with West Ham United Football Club and an assessment of whether it is delivering value for money for the taxpayer.

I will conclude my remarks, Chairman, by recognising the efforts of the London Fire and Emergency Planning Authority (LFEPA) - an organisation close to my heart, for obvious reasons - to present a balanced budget for the next three years. This summer the governance arrangements of the London Fire Brigade will be reformed and brought into City Hall. Bringing the discussion back to the point I opened with around transparency, I would encourage the Mayor to ensure that the transparency that LFEPA worked so hard to provide in recent years is not lost when that transition occurs.

Tony Arbour AM (Chairman): Thank you, Assembly Member Bacon.