

**London Assembly (Plenary), 25 January 2017****Transcript of Agenda Item 3c:  
Final Draft Consolidated Budget 2017/18 – Questions to the Mayor**

**Tony Arbour AM (Chairman):** Thank you very much. The Assembly will now put questions to the Mayor on the seven sections of the budget, section by section, in the order set out in the budget document, starting with the Mayor's section of the budget. The first question on that section will come from the Labour Group.

**Tom Copley AM:** Good morning, Mr Mayor. Can I ask you this question about housing? How many units of affordable housing are you aiming to deliver by tenure, by year and by fund?

**Sadiq Khan (Mayor of London):** I will just say that in my opening remarks I made reference to the fact that, as a consequence of the persuasive and forceful representations you made, we are looking at estate regeneration and looking at what we can do to improve the consultation. Also, of course, we are looking at the issue of the provision of community housing and we will, hopefully, come back with more information on that in the near future.

In answer to your specific question now, as you will be aware, we have secured a record £3.15 billion of funding from the Government to support 90,000 affordable housing starts through to March 2021. The Government and I have agreed that at least 58,500 of these homes for be for the London Living Rent or [London] Shared Ownership. I want to ensure flexibility for partners and so we have not set an exact tenure split. Initial bids from partners are due back in April [2017] and, following analysis of these bids, I intend to set out an annual delivery profile of starts. You will have seen the prospectus we published late last year.

**Tom Copley AM:** Is it not possible for you to give us even a number by year of how many affordable housing units in total? We have in your budget how much money you are expecting to spend. You have set out what level of grant will be provided to each form of affordable housing, whether it is the London Affordable Rent, London Shared Ownership or the London Living Rent. Can you give us an indication of numbers by year that you are aiming to start?

**Sadiq Khan (Mayor of London):** Yes, I will publish an annual delivery profile of starts and we will do that once we have an idea of the responses to the prospectus we published, which should be in the next few months.

It is worth just reminding you and colleagues that the previous administration set a target of 42,000 affordable housing completions for 2015–2018 and this target was placed in doubt due to a number of factors, including the 1% reductions in social rent and social landlords, the extension of Right to Buy to housing associations, the reform proposals contained within the Housing and Planning Act 2016 and wider welfare reform. In addition, you will be aware that central Government changed the key measure of affordable housing delivery from completion to starts. All of these points were raised by the previous Mayor in the process of setting his budget for 2016/17 and so it will take us some time to get the right figure for annual delivery starts.

However, you are right that I should be challenging and setting out what my expectation is for the annual delivery of starts rather than waiting until 2021 to say we have missed them.

**Tom Copley AM:** Thank you for that.

**Fiona Twycross AM:** Good morning. I wanted to ask a question about Brexit and whether Brexit has substantially changed the focus of your proposed work around London's economy.

**Sadiq Khan (Mayor of London):** It has been an eye-opener and many people say a game-changer in relation to London and our needs going forward. It does not change the focus, no, but it has required us to look at the challenges posed by Brexit to businesses across London's economic sectors, all sectors from culture to tech, from finance to construction.

I will continue to be using my regular meetings with David Davis, the Brexit Secretary [Secretary of State for Exiting the European Union]. Look, it is worth giving - it has had a tough week - the Government some credit. David Davis, to his credit, agreed to meet with me on at least a monthly basis. He is open to discussion. We are having discussions on a sector-by-sector basis. Last time we met we discussed life sciences. The reason for those meetings - and this is why I give David Davis and the Government credit - is to ensure the Government does not ignore the needs of London when it comes to negotiation with the European Union (EU).

I say this not in a pejorative way, nor to be anti-Scotland, Wales, Manchester, Sheffield, Leeds, Liverpool or any other part of the country, but we are the engine of our country. When we do well, the country benefits. If we do badly, the country suffers. The idea is that any agreement the Government does needs to enable London to retain its economic competitiveness, allow our businesses to attract the best talent from around the world - not just the EU - to work here and, crucially, retain privileged access to the single market.

I am also making the case for London government to be given more control over our economic levers. The word we use is 'devolution', but it is for us to be in charge of our own destiny so that we can be more competitive in the years ahead. That is why London government should be given more powers - bearing in mind Brexit - over skills provision in the city, to speed up delivery of new infrastructure and to fix the housing crisis.

**Fiona Twycross AM:** Thank you. One of the things that has come up through the discussions we have had at the Economy Committee is around employment rights and workers' rights. I wanted to know whether you think that your new business compact will help to set the best standards of working conditions, given that the UK will no longer have a minimum floor requirement once it leaves the EU. This is something that has been less clear coming out of the Government.

**Sadiq Khan (Mayor of London):** Yes. On that, let me just say a number of points again. I know that from the Government, for example, David Davis has met with Frances O'Grady from the Trades Union Congress (TUC) and a number of people who care about workers' rights.

Again, to give credit to the Government, I do not think it wants to weaken workers' rights. I am hoping that what we have now is a floor and not a ceiling. What none of wants to see is a dilution of workers' rights and a race to the bottom. That is why there has been some anxiety with comments made about us being, in inverted commas, an 'offshore tax haven' because the implication is that that will lead to a dilution of workers' rights. I

have seen no evidence from the conversations I have had with senior members of the Government that that is their aspiration, their intention or what they want to do, which is good.

In relation to what I can do from City Hall, the reality is that London is the greatest city in the world but not all Londoners get to enjoy the fruits of our city. There are too many Londoners not getting the London Living Wage. There are lots of fantastic employers and I want to spread best practice. The idea behind the Economic Fairness Unit business compact is to name and praise and to share best practice. All the evidence is that the most profitable firms are those that treat their workers with dignity, pay them a decent day's wage for a decent day's work and train them during the course of their working lives. They are the most productive. If we can share the best practice across businesses, it is good. I can use the power of procurement and the levers I have to say to contractors, businesses and employers, "If you want a contract with us or one of our functional bodies, you are more likely to get one if you pay the Living Wage, if you have apprentices, if you are looking at gender equality, if you are looking at the representation of your workforce in terms of black and minority ethnic (BAME) [workers] and other issues".

We have huge levers and we are going to use them, but also you are right to remind me of my huge convening powers. The compact and the work that the Economic Fairness Unit does is one way of doing that.

**Fiona Twycross AM:** Thank you.

**Andrew Dismore AM:** On Brexit, whilst yesterday's Supreme Court decision was very important, there is no doubt that Brexit remains the biggest single challenge for London, especially due to the short-sighted Brexit policy being advocated by the Conservative Government with the Prime Minister proposing the exact opposite of what London actually needs. Whilst she is sucking up to the obviously isolationist and protectionist President 'America first' Trump [Donald Trump, President of the United States], she seems to be ready to turn her back on our biggest market, taking her bat and ball away if she does not get what she wants. She is, clearly, not listening to what is coming back. With two major banks, HSBC and UBS, indicating that they are going to move 1,000 jobs out of London - possibly the first of the dominoes - and an exchange drop affecting our procurement, are you having a 'London first' approach to your discussions with the Government? In particular, are you including in your budget all that is needed to provide for the necessary research, lobbying and extra costs to the GLA to deal with the consequences of Brexit?

**Sadiq Khan (Mayor of London):** Can I thank you for your question and your analysis? You are right. Brexit affects London in huge ways. Every sector was affected by the vote last June [2016]. I have said this point publicly and privately on many occasions. I accept that the British public voted to leave the EU, to leave the EU structures and to leave the legal institutions. London, by the way, as you will be well aware, voted to remain.

What the British public did not do was vote to make us poorer. The terms of the negotiations are very important and what we end up with on the other side is really important. That is why I have talked about retaining privileged access to a single market and the ability to attract talent as the issues that businesses, employers and chief executives tell me are crucial.

The core work being undertaken on Brexit is by regular GLA employees, who are excellent. They have specialist skills in research and lobbying and they are carrying out such tasks without the need for additional budget. In fact, we have made an offer and we are working closely with the Brexit Department [Department for Exiting the European Union] to provide it with the intelligence and information it may not have because we are closer to the coalface and we have better contacts in relation to the various sectors in London.

I have set up a Brexit Advisory Group, which has huge expertise in the areas that are relevant going forward. Their work is voluntary. There is no salary being drawn or stipend. I am keen to use the intelligence, experience and evidence they have to persuade the Government to do right by London.

**Andrew Dismore AM:** Could I move on to English for speakers of other languages (ESOL)? Could I ask if you remember that in September 2015 we saw yet another example of un-joined-up Conservative Government thinking? On the one hand the Department for Work and Pensions (DWP) mandated people to go on ESOL courses or lose their benefits and at the same time the Department for Business, Innovation and Skills (BIS), now the Department for Business, Energy and Industrial Strategy (BEIS), entirely cut the funding for such courses. The result was a jobseekers' catch-22, redundancies in ESOL staff and undermining of community cohesion.

In your manifesto, you gave a commitment to oppose the cuts to ESOL and *In a City for All Londoners* you made a very positive statement about the need for ESOL. Could I ask what progress you are making with the Government over this? Will you look at the recommendation passed by the Assembly in November 2015 on a motion I proposed, but ignored by your predecessor, to commission a study from GLA Economics looking at the costs and benefits to the London regional economy of Government funding for ESOL?

**Sadiq Khan (Mayor of London):** I have looked at this really closely and you will have heard my comments in my opening remarks in relation to further work that we are doing. You are right to remind us of the economic argument for people learning English when it is their second language. You cannot get a job if you cannot speak English and we should encourage people to learn English.

On the other hand, if you are cutting the courses and making it more difficult for people to learn English, you cannot then criticise them if they are not learning English. You are right to remind us of the huge impact. You used the phrase 'community cohesion'. I use the phrase 'social integration'. It is about your ability to talk to your neighbours and talk to the teachers of your children at school if you cannot speak English. There is no point in politicians lecturing communities for not being able to speak English and then cutting the funding for those courses.

Therefore, I am pleased to announce that the GLA is developing, under my leadership, a London skills strategy in 2017 in preparation for the anticipated devolution of the adult education budget from 2019/20. With the support of the Department for Education (DfE), London government has just conducted a review of adult community learning in the capital and has started identifying adult education provision through this process. The GLA is in the process of appointing a consultant organisation to undertake a mapping exercise of formal and informal provision of ESOL in London using grant funding from the central Government's Syrian resettlement team for this financial year, 2016/17. The output of this work will help to inform the wider skills strategy whilst supporting London boroughs participating in the resettlement of Syrian refugees to provide appropriate ESOL learning to resettle adult Syrian refugees. We have set aside £200,000 to support migrant integration in 2017/18, which may be used as match-funding for a project to support increased access to ESOL and is subject to £300,000 match-funding from other funds.

**Andrew Dismore AM:** Could I raise TfL's proposed private hire vehicle (PHV) drivers' English requirements? Clearly, drivers should be able to communicate in reasonable English, but TfL's plan for a separate test costing up to £200 has been somewhat controversial. Could you look at this issue again to see if drivers' English could be sufficiently assessed by incorporating a language element into the enhanced topographical test?

**Sadiq Khan (Mayor of London):** Yes. That is the short answer. Other representations have been made to me and to Val Shawcross [Valerie Shawcross CBE, Deputy Mayor for Transport]. Val is looking at the issue of whether the fee is at the right level and the qualification is the right one. That is not to detract from the fact that we do want those who drive minicabs to be able to speak English. Just think about why it is important if you have a medical need or if you have a better route. We are looking at the issue of the fee that you raised and also the issue of what the right standard is.

**Andrew Dismore AM:** Thank you.

**Gareth Bacon AM:** Mr Mayor, I remember seeing the press release about the setup of the Brexit Advisory Working Group, which is a very good idea. Clearly, you need to be well advised before you meet with the Secretary of State. How many times has the advisory group met?

**Sadiq Khan (Mayor of London):** The Brexit Advisory Group has not met yet. We are meeting in the next couple of weeks. That is the first meeting.

There are two separate things. There is the Business Advisory Board and then there is the Brexit one.

**Gareth Bacon AM:** Yes, it is the Brexit one I meant. Moving on from that, Mr Mayor, in your manifesto on pages 5 and 6, you wrote, "I supported the decision to cut council tax following the end of the Olympic precept". What did you mean by that?

**Sadiq Khan (Mayor of London):** I do not have a copy of my manifesto, but you will be aware --

**Gareth Bacon AM:** I have quoted it. You can see it if you like. I will bring it around.

**Sadiq Khan (Mayor of London):** I will take your word for it. You would never mislead the public, Gareth.

**Gareth Bacon AM:** I certainly would not and I am sure you would not, either, Mr Mayor. I am interested in what you mean by that.

**Sadiq Khan (Mayor of London):** My understanding is that the reference - and I have the extract here about the Olympic precept - in the manifesto says, as I understand it, "I will keep the GLA council tax precept down as far as possible". Is that the section you are reading from?

**Gareth Bacon AM:** Yes.

**Sadiq Khan (Mayor of London):** Yes:

*"I will keep the GLA council tax precept down as far as possible. With money so tight for so many Londoners, I supported the decision to cut council tax following the end of the Olympic precept. My promise is to keep council tax as low as possible without risking Londoners' safety."*

The context is - as you will be aware, having served as an Assembly Member for a number of years - that the previous Mayor did not propose to cut council tax this year. His final budget, which you supported, said and I quote:

*“The continuation of the residual £8 balance of the Olympic precept is assumed in the budget forecasts for 2017/18 onwards.”*

**Gareth Bacon AM:** Yes. What he also said was that it will be for a future Mayor to decide whether to retain that money and channel it into something else or to reduce it. Those of us who were here before your arrival as Mayor of London are very well aware that the previous Mayor – and indeed his predecessor as well – were very clear that when the money was paid back to the Department for Culture, Media & Sport (DCMS), the precept would be reduced accordingly. Why are you not reducing the precept, Mr Mayor?

**Sadiq Khan (Mayor of London):** See, I could appreciate that sort of question from a new Assembly Member who did not have the chance last year to amend the previous Mayor’s budget, but you are a Member who approved the budget in which the previous Mayor continued the residual £8 for the – in inverted commas – ‘Olympic precept’.

You will also be aware that the final Olympic payment – and by the way, ‘precept’ is a misnomer, but let us carry on – was for 2016/17 £28.3 million. I have reduced the GLA mayoral budget by £42.7 million, which is more than the Olympic precept.

There is a choice to cut the council tax, as you may well be putting down an amendment to do, but what we are doing is using the money to support the Fire Brigade to maintain its budget following the reduction in the Government grant. We are using it for the business rates reserve, given the consequences of the revaluation and the flaws in the Government’s process. We are using it for additional police funding and repairing this, given what I inherited from the previous Mayor. All of these were Government decisions and, like local authorities’ council tax decisions, are the consequences of Government actions.

I am quite clear in relation to my priority, which is to keep council tax as low as we can, subject to keeping our citizens safe.

**Gareth Bacon AM:** I think we would all agree with that sentiment. To correct you on a factual point, Mr Mayor, the Assembly last year, as it did every year, did table an amendment to the previous Mayor’s budget that would have reduced council tax further. That amendment was not carried, which is why it did not go through. It would be inaccurate to say that we supported the retention of the £8 --

**Sadiq Khan (Mayor of London):** I am really sorry, but I have to correct you. I have to correct you because you are, again, using that great Bacon gift of misleading the public. Let me just be clear. The final budget said that you supported the continuation --

**Gareth Bacon AM:** No. Mr Mayor, the way the budget process works here is that if the budget is unamended, it is deemed to be approved. We posted an amendment, Mr Mayor, unlike all parties in this Chamber, which would have reduced the budget --

**Sadiq Khan (Mayor of London):** The budget that you approved --

**Gareth Bacon AM:** No. Mr Mayor, the way the budget process works is that, without an amendment that is carried by a two-thirds majority, the budget is deemed to be approved.

**Sadiq Khan (Mayor of London):**

*“The continuation of the residual £8 balance of the Olympic precept is assumed in the budget forecasts for 2017/18 onwards.”*

I am sure you had conversations with the previous Mayor and you could have persuaded him otherwise.

**Gareth Bacon AM:** Mr Chairman, the Mayor is wasting my time here. He knows full well - or at least he should do - that unless a two-thirds majority of the Assembly votes for an amended budget, then the Mayor's budget is deemed to be approved. We tabled an amendment. The amendment was not carried. The amendment would have cut council tax by a significantly higher amount than the Mayor had originally proposed.

**Sadiq Khan (Mayor of London):** Chairman, I am sure you know --

**Gareth Bacon AM:** Those are the facts. They are on the public record. The Mayor is misleading the public with the argument that he is advancing at this stage. Mr Mayor --

**Sadiq Khan (Mayor of London):** Chairman, I am sure you know --

**Gareth Bacon AM:** Mr Chairman, I have not asked him a question.

**Sadiq Khan (Mayor of London):** -- to approach the Mayor on a regular basis in order to oppose the budget and it would have been open to the Assembly Members to oppose the previous Mayor's budget.

**Gareth Bacon AM:** Mr Mayor, could we --

**Tony Arbour AM (Chairman):** That is all very fine and large, Mr Mayor, but you are using up the Member's time. This is the opportunity for Members to ask you questions. They may well disagree with you but, nevertheless, they are entitled to put that in the form of a question.

**Sadiq Khan (Mayor of London):** I am sure he will confirm that he opposed the budget from the last Mayor.

**Gareth Bacon AM:** We proposed an amendment, as we did every single year --)

**Sadiq Khan (Mayor of London):** You opposed it, did you? Did you oppose it?

**Gareth Bacon AM:** We did, yes, because we proposed an amendment.

**Sadiq Khan (Mayor of London):** You opposed Boris's [Boris Johnson MP, former Mayor of London] budget?

**Gareth Bacon AM:** We proposed to amend the Mayor's budget.

**Tony Arbour AM (Chairman):** No, you are continuing to waste the Member's time. The simple position is this. The budget is the Mayor's. It is not the Assembly's budget. We neither approve nor disapprove. It is your budget.

**Gareth Bacon AM:** Thank you. Mr Mayor, it is perfectly --

**Sadiq Khan (Mayor of London):** You are free to approach me as well in between formal meetings --

**Gareth Bacon AM:** It is a perfectly reasonable position, Mr Mayor, for you to sit there and say that we could not afford to cut the £8 this year, we acknowledge that the Olympic bill has been paid in full, we cannot afford to cut that £8 and so we are going to channel that money somewhere else. I have looked through your budget proposals in fine detail, Mr Mayor. I cannot see that anywhere. Why is that not included in your draft budget?

**Sadiq Khan (Mayor of London):** Sorry. Why is what not included?

**Gareth Bacon AM:** Why have you not made the argument as to why you need to retain that £8 instead of cutting it, as everybody expected you would? It was very implicit in last year's budget that that would happen. You have chosen not to and that is your right and you can make that argument, but why have you not done so in your budget document, Mr Mayor?

**Sadiq Khan (Mayor of London):** Again, you are doing that classic Bacon thing. Look, my manifesto is quite clear. I will keep the GLA council tax precept down as far as possible. With money so tight for so many Londoners, I supported the decision to cut council tax following the end of the Olympic precept.

**Gareth Bacon AM:** Following the end of the Olympic precept?

**Sadiq Khan (Mayor of London):** My promise is to keep council tax as low as possible without risking Londoners' safety. I was quite clear in relation to that. The Olympic precept, as you know, is a misnomer because there is no designated element of my precept that is separately for the GLA's contribution to the Olympics. I have to manage --

**Gareth Bacon AM:** Yes. This is semantics, Mr Mayor, is it not?

**Sadiq Khan (Mayor of London):** -- the potential volatility in business rates by boosting the level of business rates reserves. I am proposing, as you are well aware if you have been through my budget line-by-line, to increase the police precept next year by just under 2% and hold the non-police precept at the same level this year. You will be well aware that I am protecting the fire service and GLA services --

**Gareth Bacon AM:** Mr Chairman, my question has been asked and answered and now the Mayor is filibustering and wasting my time. Mr Mayor, you have not made the argument as to why the £8 explicitly should be put somewhere else. That is your choice, fine, but your manifesto actually --

**Sadiq Khan (Mayor of London):** That is a comment, Chairman, not a question, for the avoidance of doubt.

**Gareth Bacon AM:** Your manifesto referred to the Olympic precept in the past tense. Why was that? "I supported the decision to cut council tax following the end of the Olympic precept." That is in the past tense. Why use the past tense ?

**Sadiq Khan (Mayor of London):** My manifesto was published after you took the decision that you took in relation --

**Gareth Bacon AM:** Yes, but the Olympic precept does not finish being paid off until the end of this financial year. That is 31 March [2017].



**Sadiq Khan (Mayor of London):** You will be aware that there was discussion in relation to what the stance should be to the budget passed by the [previous] Mayor. I was quite clear in relation to my stance in relation to --

**Gareth Bacon AM:** Yes, but you referred to the Olympic precept in the past tense. You could refer to it in the past tense on 1 April this year, but you could not have when this manifesto was published. Why was that?

**Sadiq Khan (Mayor of London):** My manifesto was published after the last budget.

**Gareth Bacon AM:** Was it because you did not know what you were talking about, Mr Mayor?

**Sadiq Khan (Mayor of London):** You have asked the question. I have answered it three times, Chairman. I am not really sure how this takes it further.

**Gareth Bacon AM:** I just asked you another question and you did not answer that. You are filibustering again. That is fine. Moving on --

**Tony Arbour AM (Chairman):** Let us be clear on this. I seek as far as possible simply to be a referee. If you want to cut him short, you do that. If he wants to cut you short, he should do that. I am here only to see that you do it in a fair way.

**Sadiq Khan (Mayor of London):** Can it just be fair, Chairman, to me not defending myself? There are children watching. I want them to think that it is possible to have a grownup debate in the London Assembly and so I am trying my best not to cut off Assembly Member Bacon.

**Tony Arbour AM (Chairman):** Yes, that is a very good interpretation. I think that the children are wise enough to know when the wool is being pulled over their eyes.

**Gareth Bacon AM:** Indeed. If you did not know, children, this is 'spin', in case you have never seen it before.

All right, Mr Mayor. Moving on, how many new hires are you going to be making to the GLA staffing establishment in this financial year?

**Sadiq Khan (Mayor of London):** I do not know the exact number.

**Gareth Bacon AM:** Approximately would be fine.

**Sadiq Khan (Mayor of London):** Let me go to that page in my briefing. You be aware that there are a number of fixed-term staff at the GLA. I am not criticising the previous Mayor, by the way. At the end of an administration, it is not unreasonable for there to be fixed-term appointments. Also, in relation to some things being paid for from certain pots, again, there is no criticism for having fixed-term employees.

We have not made a decision on the exact number of hires. It depends on what happens with relegating staff. It depends on what happens with those who are on fixed-term contracts. No decisions have been taken on the number of posts that will be required for the various pieces of activity we are going to do.

**Gareth Bacon AM:** You would have to fund them and so is there a ballpark figure at the outer edge that your budget could accommodate?

**Sadiq Khan (Mayor of London):** My budget directs resources to my priorities so that City Hall can realise my vision. We are now scoping the projects that will deliver that vision and that will, in turn, allow us to carefully assess and then make decisions about the most efficient alignment and use of staffing resources. Like I have said, no decisions have been taken on the number of new posts, but I know that my team of corporate directors are currently making sure that any additional posts are absolutely necessary and that all other options, particularly reprioritising existing staff workloads, have also been considered.

The detailed GLA budget will be agreed in March 2017. Some new posts will be funded by the GLA and some partner bodies. Full details will be available in March.

**Gareth Bacon AM:** Yes, that is fine, Mr Mayor. Nothing you have said there is in any way unreasonable, apart from the timing. You will have to pay for those out of the budget that is now before the Assembly. There must be some idea of how many people. Otherwise, you could say, for example, "We need 50 people", and the budget does not accommodate that. You must have some idea of how many posts there will be. Otherwise, if this budget does not cover it, you are in some trouble, are you not?

**Sadiq Khan (Mayor of London):** No, we are not in trouble, sorry. We are doing the scoping work. There are, roughly speaking, 40 to 50 staff here working on fixed-term contracts, to give you an idea.

**Gareth Bacon AM:** You will make them permanent, yes.

**Sadiq Khan (Mayor of London):** We have quite a lot of scope within there. Can they do the work within the existing workloads? Should we turn fixed-term contracts into permanent contracts? We have to do the scoping first, as you will appreciate.

**Gareth Bacon AM:** I do appreciate that completely, of course, Mr Mayor, but the trouble is that the cart is being put before the horse. The budget that would fund these posts is approved before you have completed that scoping work. There is a timing problem here.

Rumours are flying around all over the building about needing to hire new office space, perhaps taking over some of Union Street or people working on smaller desks because of the amount of people coming in. During the scrutiny process when we were scrutinising the budget and the oversight, questions have been put to senior GLA officers around figures of 80, 90 or 100 new staff and they have not been denied. They have given very similar answers to what you have just given today, "We have not done the numbers yet. We have not totalled it up. We have not looked at the business cases".

There must be an outer-edge number that is in your head. Otherwise, you will not be able to fund it.

**Sadiq Khan (Mayor of London):** Look, we are going to stay within the budget. As bids come in, we will review them and we will make sure that we spend within the spending envelope that we have.

**Gareth Bacon AM:** That is the point, Mr Mayor, because the spending is being determined by this budget and the scoping work for the staffing required will not happen until after the budget is approved.

**Sadiq Khan (Mayor of London):** We are not going to require more money than we currently have.

**Gareth Bacon AM:** Indeed, yes, but, when you put a budget together, Mr Mayor, you work out how much money you need in order to fund your priorities and then you do so accordingly. What seems to be happening here is that the budget is being put together with a figure in mind and then we will work out how we will spend it after we have it. That is the wrong way around, Mr Mayor.

**Sadiq Khan (Mayor of London):** You will find that we are in a far better state of affairs eight months on than the last guy was in eight years on.

**Gareth Bacon AM:** Given that he maintained 32,000 police officers . He did. He maintained the funding for 32,000 police officers --

**Sadiq Khan (Mayor of London):** See, this is a classic example of [Assembly Member] Bacon misleading the public.

**Gareth Bacon AM:** -- and he managed to reduce council tax.

**Sadiq Khan (Mayor of London):** It is a classic example. The last time we had 32,000 officers Chairman, was in 2012. For the four years when the previous Mayor had 32,000 officers, the first three were funded by a very generous, brilliant Labour Government and the last year was during the Olympic year. That was a classic example of Bacon using the facts to mislead the public, Chairman.

**Gareth Bacon AM:** We will come on to talking about policing in a little while, Mr Mayor. I do not want to spoil my colleagues' thunder. I will leave it there, Mr Mayor.

**Dr Onkar Sahota AM:** Mr Mayor, this is about Growth Deal 3. London's allocation for Growth Deal 3 falls short of the £478 million that the London Enterprise Panel (LEP) bid was for. How will this affect your ambitions for regeneration and economic development in London?

**Sadiq Khan (Mayor of London):** As you will appreciate, we bid for this. The Growth Deal provides funds to local enterprise partnerships for projects that boost local economic growth and create jobs. The Growth Deal forms part of the Government's £12 million Local Growth Fund.

We are currently awaiting the announcement of London's share of the latest tranche, the third round. The bid for funding, just so that you know, included programmes to support London's further education (FE) sector, a construction academy, high street regeneration, affordable workspace, air quality and unlocking small sites for small and medium enterprises (SMEs) and housing developments. This is the third round of the Growth Deal that London has participated in. The experience from previous rounds has influenced our approach going forward, whilst the London bid does reflect the anticipated priorities of the new London Economic Action Partnership (LEAP), which is the LEP. It was also developed with a view to the relative priority between the programmes.

Once the allocation is announced, we will revisit the bid to ensure meaningful programmes continue to deliver that are aligned with the LEAP priorities.

**Dr Onkar Sahota AM:** The fact that you had less money than you expected must make you make some choices for some prioritisations to the projects that you will be supporting. What are your priorities?

**Sadiq Khan (Mayor of London):** Assembly Member Twycross alluded to some of the things we have to do post-Brexit. We have to skill up our youngsters. They have to have the support they need in relation to the jobs for tomorrow. I don't think it is inconsistent with wanting to attract talent but also making sure our youngsters have the skills for tomorrow.

I am keen to make sure we utilise housing developments so that we use, on a housing development, some of the land to have space for SMEs. Art space is really important.

We also have to make sure we use some of the money towards the construction sector, which is struggling at the moment in relation to the consequences of Brexit. Also, in the FE sector, we are getting devolution of adult education post-2019 and some of the LEAP money can be used going forward in relation to the tech talent pipeline and Skills for Londoners.

**Dr Onkar Sahota AM:** Good. Will you prioritise projects that have the potential to generate their own funding such as the Civic Crowdfunding Programme, which, in the second round of funding alone, attracted £433,000 in match-funding compared to your pledge of £260,000?

**Sadiq Khan (Mayor of London):** This is a really exciting piece of work with the crowdfunding idea and civic funding. Match-funding is really important. This has to be the way forward: pooling resources. I am not saying that if you cannot provide any money at all it means you are not worthy, but if you can provide match-funding it makes life easier in relation to the finite resources that are struggling and being spread all around. Crowdfunding and civic funding is a good way of different people being able to contribute towards a scheme.

**Dr Onkar Sahota AM:** Thank you, Mr Mayor.

**Jennette Arnold OBE AM (Deputy Chair):** Mr Mayor, have you included funding in your budget to start work on the many promises you made to older Londoners?

Let me just remind you of a few of those promises. You promised in your manifesto to improve planning and design policies to offer older Londoners more choice. You promised to implement a digital inclusion strategy led by a new chief digital officer. I welcome this as this would enable older Londoners to have the skills and the online access that they need to be up-to-date in the current world. You promised, regarding Dial-a-Ride, that you would work with boroughs to integrate the provision of social needs transport across London. Most importantly - and something dear to my heart - you said you want London to become a dementia-friendly city.

None of these are cost-neutral and I was not able to identify any specific action in your budget regarding any of these promises. Maybe you can direct me to those areas.

**Sadiq Khan (Mayor of London):** Thanks for your questions and your comments. Firstly, a lot of this work we are doing - and I will give you specific examples in a moment - is work that we are working with partners on - whether it is local authorities, the Department of Health (DoH) or others - in relation to how we can work together to help older Londoners.

Let me give you a couple of examples. One of the jobs the Deputy Mayor for Social Integration [Social Mobility and Community Engagement] is working on is about how we can have different generations better integrated and he is working with the third sector in relation to integrating younger and older people.

My Health Advisor, Dr Tom Coffey, has already met with dementia groups and the Alzheimer's Society to see how we can become a dementia-friendly city. Assembly Member Bailey raised this issue at Mayor's Question Time (MQT) in relation to the Police and Crime Plan. The point I made to Assembly Member Bailey was that we cannot think about those with dementia just in a police and crime context. As you have said, there are issues and ideas around becoming a dementia-friendly city that we are currently working on.

To answer your question specifically, I have made provision for funding affordable homes for older people one of the things that we do in relation to the money we have secured from central Government in relation to affordable homes. Housing for older people, supported housing and designing housing in certain ways is crucial. We are using some of that money towards doing that.

The Environment team and partners are working on a Fuel Poverty Action Plan to identify measures to support older people in fuel poverty. I know that Assembly Member Cooper has lobbied on this in the past. I will establish a high-quality evidence base for our work, including clear metrics that will allow us to measure progress and impact. We are building strong relationships and partnerships with stakeholders and communities, including by opening up new conversations with older Londoners on their priorities and what our role should be going forward.

Finally, before you come back, we are also innovating and learning through detailed policy development pilots, rigorous evaluation and the sharing of learning with others in areas such as digital inclusion - which disproportionately, as you said, affects older people - and on economic fairness tackling poverty for this group as well.

**Jennette Arnold OBE AM (Deputy Chair):** I did not mention your actions under your statutory activities because, in terms of your duty and the requirement of the equality impact assessment that has to be required, you have to be mindful of the needs of Londoners. These issues that I have raised are things that would normally be seen in your core [budget] and I will keep on coming back to you because I would like to see specific funded lines around many of those issues that I have mentioned. This is just the start of the conversation.

**Sadiq Khan (Mayor of London):** Please carry on doing that. All I would say is that we have to mainstream this as an issue. I would not want to ghettoise older people; God forbid. That is why you will see work we are doing with older Londoners in all streams of work, whether it is transport, housing, social integration, policing or health. It is across the piece.

**Jennette Arnold OBE AM (Deputy Chair):** Thank you.

**Leonie Cooper AM:** It is very welcome to be here, hearing you set out your first budget. After eight wasted years under your predecessor, I am really looking forward to the 2017/18 budget setting out how you are going to be supporting your ambitious agenda for London's environment and, in particular, cleaning up the capital's toxic air. I just wondered if you could say a bit more about that for us.

**Sadiq Khan (Mayor of London):** Yes. Thank you for your kind words and your support for our bold and ambitious plans. Most of the Assembly - the sensible part - supports our plans. TfL's latest business plan includes £875 million to improve air quality and this includes enough funding to deliver the T-Charge, expanding the Ultra Low Emission Zone (ULEZ), transforming London's bus fleet and tackling local hotspots through the Mayor's Air Quality Fund.

However, further action by the Government is also needed to address the problem of diesel vehicles by putting in place a national diesel scrappage scheme and reforming fiscal incentives around the vehicle excise duty (VED) to encourage the cleanest vehicles. It is also important to remember – as you know, but some others may not – that 50% of pollution comes from non-transport sources: construction, the river, buildings. I have no powers directly over those things. That is why I am calling on the Government to give me these new powers to tackle these sources as part of a fit-for-purpose 21st century Clean Air Act.

The GLA budget identifies an additional £1.2 million for the environment budget. This is over and above the base budget for the environment. In addition, we have identified £1 million plus over and above the base budget for buildings energy efficiency. All of this can be considered as new funding. This will better resource the air quality function within the GLA and support the manifesto commitments to get us on track to deliver a zero-carbon city by 2050, the work around the National Park City, getting London back on track in relation to the 65% recycling target and supporting efforts to ensure London's businesses become more resilient to climate change as well.

**Leonie Cooper AM:** You have just referred to the zero-carbon city and we have your goal of being a zero-carbon city by 2050. Unfortunately, your predecessor was pretty poor in terms of heading towards the zero-carbon target and so we are rather behind on our carbon-reduction obligations. We are 15 million tonnes of carbon dioxide (CO<sub>2</sub>) behind. I wondered if you could say a little bit more about what we are going to be doing to get there.

**Sadiq Khan (Mayor of London):** We are going to be working with partners both at our level with local councils but also with central Government. The private sector is really important.

Do you know what? We are not going to succeed by hiding the facts and fiddling monitors. We are going to succeed by being open and transparent with the public and with ourselves and lobbying the Government. Signs are promising in the sense that the Government did not, for example, appeal the High Court judgment. We have to lobby the Government in relation to some of the stuff that we need. With recycling, with local government facing massive cuts and a difficult last five or six years, we have to recognise the challenges they face, and businesses are going to face Brexit.

There is no alternative to making our city greener and more environmentally friendly. It is crucial.

**Leonie Cooper AM:** Finally, Mr Mayor, in terms of the environmental policies, you have quite rightly referred to the fact that there are a number of different departments and directorates that will be working across all of these issues and so there is a budget in TfL and budgets in other directorates as well, like housing around retrofit and things like that.

How will you be ensuring that all of these different teams are very well resourced but also able to work across those departments seamlessly? Otherwise, it may put some of the targets in jeopardy.

**Sadiq Khan (Mayor of London):** A key challenge is how we have joined-up-ness. We are working on an Environment Strategy. Also, we are going to get rid of the silos. City Hall is not unlike central Government. We work in siloes. We have, in the past, worked in silos. We are trying to get rid of those silos.

For example, the Deputy Mayor for Environment [and Energy], Shirley Rodrigues, went to the TfL away day. She is working closely with Jules Pipe [Deputy Mayor for Planning, Regeneration and Skills] on the London

Plan and is working closely with James Murray [Deputy Mayor for Housing and Residential Development] in relation to the next generation of affordable housing that is sustainable. We are going to have joined-up-ness all around. That is why we have a new Walking and Cycling Commissioner to make sure we join the dots, like the air quality monitoring we are doing now and making it public and the 10-out-of-10 risk with air quality that lasts a couple of days. That is because we are joining up environment, transport and housing with skills and the next generation of jobs and where they are going to be.

That is the challenge we face and that is why the Environment Strategy is crucial. With the Transport Strategy, we are working closely with the environment team to make sure we get it right. That has always been the classic problem with the environment. It is an 'any other business' matter. We cannot afford for it to be an 'any other business' matter. It has to be mainstreamed.

**Leonie Cooper AM:** It is going to be included in all of the different departments?

**Sadiq Khan (Mayor of London):** Everything we do.

**Leonie Cooper AM:** That joined-up, seamless working is not just going to be at the Deputy Mayor level but going right down through all of the departments?

**Sadiq Khan (Mayor of London):** Absolutely. There is an air quality implementation team in TfL now looking at the specific issue. We have to have it joined up.

**Leonie Cooper AM:** Thank you.

**Peter Whittle AM:** Good morning, Mr Mayor. You said in your opening remarks that you are setting up a Brexit Advisory Group. I know that the illustrious Lord Mandelson [former European Trade Commissioner] is going to be on it, but could you just shed a bit of light on how big the group will be and where it will be drawn from?

**Sadiq Khan (Mayor of London):** I do not have the list with me. I have made it public. I have made public the list of who is going to be on the Brexit Advisory Panel and what their expertise is. It was published a few weeks ago but, Chairman, I am very happy to send that again. I will arrange for it to be sent to your office as we speak. Those in my office who are watching this, hopefully, will organise that.

**Peter Whittle AM:** Do you know anything of the political complexion in terms of Brexit of your group? Are you going to be having solely people who were for staying in the EU or will there be --

**Sadiq Khan (Mayor of London):** I beg your pardon. Sorry. Let me be clear. Look, as far as I am concerned, the referendum has happened. That argument has happened. I lost the argument nationally. I won it in London.

The issue now is how we do right by the decision to leave the EU. The expertise I have around the table is from experts on making sure that London gets the right deal from the Government; for example, banking, tech, negotiating trade deals with the EU, insurance, finance. What we have is expertise on what London's needs are and also on negotiating with the EU going forward.

We are not going to have another argument about whether we should be in or out of the EU. That decision has been taken by the British public.

**Peter Whittle AM:** Yes, exactly. I was thinking that, obviously, you want to be a Mayor for all Londoners and when it comes to experts and expertise, as I have discovered in my Committee work here, they tend to be of one mind. Do bear in mind that 40.5% of Londoners did vote to leave as well, please.

**Sadiq Khan (Mayor of London):** I accept that. Can I say, by the way, Peter? We have not asked people how they voted in the referendum, for example. There have not been criteria on whether they are a Labour voter or a UK Independence Party (UKIP) voter. It was based on expertise and the fields they come from and what expertise we need when it comes to doing right by London going forward. I will reassure you of that. Nobody has been excluded because they voted to leave the EU.

**Peter Whittle AM:** All right. Thank you, Mr Mayor.

**Andrew Boff AM:** Mr Mayor, since being elected, you have avoided committing yourself to any numerical targets for affordable housing. Will the annual delivery profile that you have announced today incorporate not just stats for affordable and market starts but also your targets for delivery?

**Sadiq Khan (Mayor of London):** No. What the annual delivery starts will do is to set out what we expect to deliver annually by way of starts.

**Andrew Boff AM:** What you plan to start or what has been started? Will it just be a data exercise on what has happened or will it be your plans to start?

**Sadiq Khan (Mayor of London):** We want it to be both. The idea is that we will set out what we expect every year to do in relation to the monies given to us by the Government and then we will be publishing how many starts we have had. There will be a time lag for obvious reasons.

**Andrew Boff AM:** Will there be incorporated in that the 80,000 figure that you promised London electors on your website prior to the election?

**Sadiq Khan (Mayor of London):** See, you are falling into the [Assembly Member] Bacon trap of misleading the public. I never set a target of 80,000. Other experts have. I have referred to the fact that there is a housing crisis. Len Duvall [AM] quite cutely last time showed how you were misleading the public in relation to not quoting the full phrase.

The reality is that I have deliberately been careful not to set an annual target and those who stood against me in the mayoral election will recall that I did not do that. It was for a very good reason. Actually, what is more important than setting targets that may or may not be met is ensuring that we have affordable homes that are genuinely affordable built in London.

**Andrew Boff AM:** Your website at the time said that you will use £400 million of affordable housing funds and will “support housing associations in their plans to ensure a minimum of 80,000 new homes a year”. Was that misleading the public, Mr Mayor, or was it an ‘alternative fact’?



**Sadiq Khan (Mayor of London):** Chairman, with questions like that, you can appreciate why I have the best job in the world.

To answer your question directly, I never set a target of 80,000, despite your best attempts at previous MQTs to put those words in my mouth. They were a target set --

**Andrew Boff AM:** Was that phrase used on your website?

**Sadiq Khan (Mayor of London):** Chairman, I have to answer the question the way I want to answer the question.

**Andrew Boff AM:** I will ask you a much simpler question because you appear to be going down a line of waffling, Mr Mayor. Was that phrase on your website?

**Sadiq Khan (Mayor of London):** The point I am making, Chairman, is that I deliberately stayed away from setting a target for very good reasons. The Housing Federation did set a target for the homes we need in London going forward of 80,000. London First set a target of 50,000.

**Andrew Boff AM:** Very good, but I do not want their targets. I want your targets, Mr Mayor. Could you tell me, Mr Mayor? Was that on your election website? Was that phrase on your election website?

**Sadiq Khan (Mayor of London):** My website often quotes what other experts say. The Housing Federation are experts --

**Andrew Boff AM:** Was the phrase I have just read out on your election website?

**Sadiq Khan (Mayor of London):** My website often quotes what experts say. The Housing Federation says we need I think it is the Housing Federation- 80,000 a year.

**Andrew Boff AM:** "Often" is interesting. Was this specific phrase on your election website?

**Sadiq Khan (Mayor of London):** I often on my website reference targets set by other people. That is not to say that they are my targets. I have been quite clear in my manifesto since I became the Mayor of this great city that I am not going to set a target for the number of homes that are going to be built every year. What I recognise, though, is what independent experts say that we need. Roughly speaking, London First says 50,000 homes a year and the Housing Federation says 80,000 a year. Thanks to the settlement we have from central Government, we think we can go some way to making sure that there are more genuinely affordable homes to buy and rent built in London over the next four years than there were by the previous guy.

**Andrew Boff AM:** I am indebted to you for that masterclass in misleading Londoners. Thank you, Mr Mayor.

**Tony Arbour AM (Chairman):** . We now come to questions on the London Assembly's budget. Does any Member have any question on that at all? Fine. The next section relates to the Mayor's Office for Policing and Crime (MOPAC).

**Steve O'Connell AM:** Thank you very much, Mr Chairman. Yes, continuing, Mr Mayor, on the subject of targets - which, it appears from what we have just heard, you have a little difficulty with - let me add to your difficulties and talk about the target for police numbers, which is your pledge to maintain police numbers at 32,000 --

**Sadiq Khan (Mayor of London):** See, another [Assembly Member] Bacon con. A strategic target is not the same as police numbers. Let us be quite clear. You know better than that, Steve.

**Steve O'Connell AM:** Londoners like clarity; police like clarity, clarity around targets. You have said that you want to maintain police numbers at 32,000. You did say that. That is fair. It is probably on websites and all sorts of places, but you have said that. That is fair and legitimate.

Now you have removed £38 million from the policing budget and so it will be almost impossible for the MPS to meet this target. How is that compatible with your target of 32,000, Mr Mayor?

**Sadiq Khan (Mayor of London):** Let me answer your question honestly, which I know is something that some Assembly Members have difficulty with: honest answers to misleading questions.

When the previous Mayor approved the 2016/17 budget, there was an acknowledged budget gap of £31 million in the 2017/18 budget. In October 2016, the budget gap for 2017/18 was £55 million, an inheritance that I had from the previous Mayor. Following the agreed GLA additional resource of £17 million, the budget gap reduced to £38 million. With the inherited officer numbers below the previous Mayor's target and reduced Government funding, and having already provided additional mayoral funding, I recognised that the current low officer numbers would continue into 2017 and 2018 and reflected that in the 2017/18 budget. Following the police settlement, which further reduced Government funding for policing in London, I identified further mayoral funding to help mitigate this.

The current 2017/18 budget will provide sufficient resources to enable an average of 31,300 officers during 2017/18, which is higher than the average the previous Mayor delivered during his second term of 31,100. You will be aware of the annual churn in the region of 1,600 to 1,700 officers each year and you will also be aware that in the year preceding the Olympics, for example, the previous Mayor had officer numbers at around 31,300, still having a strategic target of 32,000 officers.

**Steve O'Connell AM:** Let me posit the thought that you could have found that £38 million elsewhere in the policing budget.

I also posit the fact that you have a difficulty here, Mr Mayor. It is not just around the narrative that you have semi-explained, which I think Londoners would find immensely complex and almost sleight-of-hand, but you have promised also, on top of and besides the 32,000, a significant increase in officers, ie a doubling in every single ward in London of the number of dedicated ward officers. You have promised this. You have promised an increase in detectives because there is a patent lack of detectives. There are going to be extra firearms officers, which we all support. Also, one of your pledges was that every school in London would have a police officer attached to it. These were promises that you made.

How do you square those manifesto promises with the fact that you are not funding to the full 32,000 police officers? It is not just about maintaining numbers; you have promised significant increases.

**Sadiq Khan (Mayor of London):** Your reference to restoring neighbourhood policing I will use as an example. Already, more than half of the wards in London have the designated officer I referred to. More than half of the wards in London now have two designated police officers and a designated community support officer. We are well on the way to meeting the Commissioner's [of Police of the Metropolis] target of 600 additional firearms officers. There is a national issue in relation to the lack of detectives coming through and police chiefs around the country are working towards that.

However, you well know that a strategic target is different from the actual officers on the ground for a very good reason, actually, which is that police officers cannot be made redundant. If it were the case, for example, that over the course of the next year we threw the kitchen sink at recruiting officers - we are currently at 31,200 - with an annual churn of 1,600 to 1,700 a year, we would simply not get to 32,000.

Even if we did, the reality is that with the Government changing the funding formula for policing, independent experts used by the previous Mayor - whom that side of the Assembly loved and adored - say that between £170 million and £800 million could be lost from the MPS. With the NICC grant, we should be getting, roughly speaking, £350 million. We get half of that: £170 million. We have been hammered this year with a cut from central Government with the settlement because the previous Mayor - a guy whom you guys adored - decided to cut the police precept last year and we are being punished this year.

In those circumstances, theoretically, of course you could have a pot of money available to get to the number of 32,000, but the reality is that the last time London had 32,000 officers was in Olympic year, 2012. The following year, it dropped to 30,300. You will know - because history tells us and so do the facts - that the only time the previous Mayor had 32,000 officers was in his first four years and that was because the first three years were thanks to a Labour Government and the following year was thanks to the Olympics.

**Steve O'Connell AM:** We all saw your press release this morning about police numbers and funding. As a connected but separate issue, we all around this Chamber support protecting the increase and making sure that London has a fair Government grant for policing. As the Chairman of the Police and Crime Committee, with the agreement of the Members of that Committee, I shall be writing to the Government Minister to have a good deal out of the funding formula. That is accepted as a debate across this Chamber.

What is not accepted is the fact that you have made certain promises and have certain aspirations in your Police and Crime Plan that we are talking about tomorrow with your Deputy Mayor [for Policing and Crime] and --

**Sadiq Khan (Mayor of London):** It is a draft plan. It is genuinely --

**Steve O'Connell AM:** I accept that. I accept that completely, but there are many aspirations in that plan that appear not to be costed.

My last question to you really is around the savings. The MPS has a good record in meeting budgetary challenges. It is intending to - and must - save another £400 million, notwithstanding whatever the new grant will be. MOPAC's own risk register, an august document, lists that the MPS has serious concerns about finding the £100 million that it immediately has to find.

Bearing in mind your draft plan is highly aspirational and you are very aspirational about the numbers of police, do you share our concerns that the MPS will not be able to meet its budgetary savings?

**Sadiq Khan (Mayor of London):** I admire the *hutzpah* of Assembly Members who, when I adopt the same figures used by the previous guy, did not say "boo" to his goose and are now expressing concern about some of the figures we are using in relation to this.

Look, of course I am keen to make sure that the savings are made. We have to make savings because the Government - your Government - has cut £600 million from the MPS budget over the last six years and is

cutting a further £400 million on the best-case scenario over the next four years. It is a £1 billion cut from the MPS budget in the best-case scenario. Of course I want to make sure that we make the savings that are required around the estate and around digital - again, adopting many of the figures used by the previous guy, which you did not question or say "boo" to a goose to - but I accept the challenge. That is why it is crucial that MOPAC has the skills it needs to provide the right scrutiny for the MPS.

These are tough challenges. The MPS over the last few years has sold off a lot of its estate, closed down some police stations, lost lots of community support officers, lost lots of staff to make ends meet, but I recognise that there are big challenges ahead. You will be aware from having read the transcript of the evidence given by the Deputy Mayor for Policing [and Crime], given by the Commissioner and given by me at the Budget and Performance Committee the lengths we are going to make sure we make the savings that are required over the next period.

**Steve O'Connell AM:** Yes, thanks. Thank you for your response. We shall watch that because we do have some serious concerns about it. Thank you.

**Caroline Pidgeon MBE AM:** The latest figure you have given to me in answer to a mayoral question is that, at December 2016, we had 31,067 police officers in London. How many police officers are you anticipating having in place by the end of this calendar year or the budgetary year?

**Sadiq Khan (Mayor of London):** I have the average figure. I cannot give you the exact figure. The average is --

**Caroline Pidgeon MBE AM:** That you are hoping to have in this year?

**Sadiq Khan (Mayor of London):** The average figure is 31,300 officers. The average during the course of the year is 31,300 during 2017/18.

**Caroline Pidgeon MBE AM:** OK, but at the moment you are below even what we thought when you came to the Budget (and Performance) Committee. It was 31,067.

**Sadiq Khan (Mayor of London):** That is why it is called an average.

**Caroline Pidgeon MBE AM:** OK, but it would be good if we could make sure we get up there over the year.

**Sadiq Khan (Mayor of London):** That is right, but hold on a second. Look, if you do a snapshot figure after a passing-out parade, the figure is going to be different from a snapshot done when various officers through natural churn retire. We have to be careful about snapshots.

**Caroline Pidgeon MBE AM:** Yes, it will fluctuate, but I am just saying that it is below even what we thought it might be at the --

**Sadiq Khan (Mayor of London):** The average number of police officers from 2012, in the last four years of the previous Mayor, was 31,149 and so my average for 2017/18 is higher than the average for the last four years of the Mayor.

**Caroline Pidgeon MBE AM:** Whilst it is absolutely right to be pointing the finger at the Government in terms of the funding pressures for the MPS, do you accept that you could be doing a bit more through your budget

to raise additional funding? For example, you could increase full council tax by 1.9%. You could allocate the full amount of the Olympic precept money to the police. Together, that would generate about £28 million for the police. Do you accept that it would help your arguments with the Government if you were raising every bit of funding you could through the resources you have in order to put it into policing?

**Sadiq Khan (Mayor of London):** The Government through the Home Office is saying that we should raise the precept by 1.99%. I am following the Government's advice.

**Caroline Pidgeon MBE AM:** Yes, but I am saying that across the council tax you could raise even more to be able to put that money in. Given you said that you want to keep it as low as possible without risking Londoners' safety and you are concerned about the safety of Londoners, as we all are, you could squeeze just a bit more out of council tax to put into policing if you wanted.

**Sadiq Khan (Mayor of London):** Look, Assembly Member Prince got to the point of almost suggesting an amendment to increase the precept even higher. As Martin Clarke or David Gallie [Assistant Director of Finance, GLA] said, it raises about £4.3 million, but the advice from the Home Office was to increase the precept to 1.99%. Bear in mind that in their letter to me they made the point that the previous Mayor failed to increase the police precept to 1.99% but in fact cut it. I thought I would do the prudent thing and try to stay sweet with the Home Office and increase the precept by 1.99% because what I do not want is for London to be penalised next year because I made the decision not to follow Home Office advice.

**Caroline Pidgeon MBE AM:** I agree that you could potentially raise a small amount more. Can I ask you to look at a couple of areas in the police budget, which I raised year after year with the previous Mayor and he did not tackle?

There is a huge issue with the cost of flights and hotels within the MPS. As of the end of November [2016], it had spent nearly as much as last year, about £3 million, on hotels and flights, including quite a lot in first and business class. Will you look to clamp down on that kind of expenditure?

**Sadiq Khan (Mayor of London):** I will certainly make sure that the Deputy Mayor for Policing and Crime sees your question, yes.

**Caroline Pidgeon MBE AM:** The other area is that the previous Mayor failed to address the issue that a number of senior police officers have chauffeur-driven cars around London. Whilst I accept that there are, for operational reasons, a couple of very senior police officers for whom it might be in their interests that they are taken around in a vehicle, but not every senior police officer should have that option.

Will you look to clamp down on that and also look at the residential properties that the MPS have in central London at huge value? Will you also look at that and clamp down on those perks for senior officers?

**Sadiq Khan (Mayor of London):** On the estate, we currently are looking at all the MPS estate. In relation to those officers who are driven around, again, I will ensure that the Deputy Mayor for Policing and Crime looks at your question.

**Caroline Pidgeon MBE AM:** Actually, if we have to make cuts everywhere, we need to be looking at those perks that senior officers receive. Thank you.

**Sian Berry AM:** . Sticking to the topic of potentially increasing council tax, if you were to go up to the full 2% across the GLA, we are talking about an increase of £1.49 a year for the average household. On top of your 8p a week, it is less than another 3p a week. It is less than the cost of a bus journey per year or two bus journeys with your Hopper.

I feel that there is a lot you could do with this. My findings last week showed that youth service budgets in councils have been cut by a third since 2011. We have lost 300 youth workers. Councils have also said that in the year coming up they are planning at least £3.6 million in further cuts. The £4.3 million you could get from that final nudge up in council tax could make a huge difference to youth service; in fact, preventing next year's cuts.

I am putting in an amendment - or our group is - later on this. Will you look at that and consider doing it?

**Sadiq Khan (Mayor of London):** Genuinely, I always look very carefully at suggestions from all Assembly Members and so, of course, I will look at it. All I would say is - and I am not saying this in a critical way - that often people spend 17 times a pot of money. We have to be a bit careful about assuming that one pot of money can be spent 17 ways because it cannot. I will look at any suggestions from all Assembly Members, as I always do.

**Sian Berry AM:** I would argue very strongly for this being a really good place to put this money. Keeping Londoners safe is what you have said you will spend council tax increases on and keeping Londoners safe is about giving young people safe places to go. Young people, when you asked them at your Knife Crime Summit roundtable, said very clearly that they wanted investment in youth services and 3p could make a big difference.

If you will not do that, could you at least look at the policing and MOPAC budget and consider how you might help councils with this?

**Sadiq Khan (Mayor of London):** I will look at all suggestions. Can I just say one thing? What I am keen to do is to be careful that we do not have recurring spending of money because, if we do, I have to make sure there are monies for subsequent years. If you are going to spend money because you have a pot of money available, you have to make sure that either it is a one-off or it becomes self-funding going forward.

I am happy to receive any representations. I am told by those guys that I spend too much money on things, but I am happy to receive suggestions on things that I could be spending monies on. I just qualify my comments by saying that you want it to be self-funding going forward because what you do not want to do is pay for something this year and then next year have to pull the plug because it is not recurring.

**Sian Berry AM:** One of the problems with the previous Mayor not putting up the council tax, as you have stated, is that this is now not in your base for this year. In actual fact, by doing this this year, you would be making up for some of the problems that Boris [Johnson MP, former Mayor of London] had caused by not increasing the council tax, which would, therefore, be ongoing income if you were to do this.

**Sadiq Khan (Mayor of London):** Sure. I will look at all representations. You will be aware of the manifesto because those guys know it by heart, but I was quite clear to keep council tax as low as possible, subject to keeping Londoners safe. You are right to remind us that prevention is far better than cure, if we can spend money early doors to give young people something constructive to do. I know you know this, but I will say this for the avoidance of doubt: the vast majority of young people are law-abiding, peaceful people whom we

should be very proud of. That is not a bad thing, but I am mindful of the fact that we have to make sure things can fund themselves in years to come.

**Sian Berry AM:** Absolutely. I am glad you agree that it is a good-value way of spending crime prevention money and that it is the general use services for use by the young people who are not a problem that are suffering most. If you will look at my amendment, it would be great. I am out of time now. Thank you.

**Unmesh Desai AM:** Good morning, Mr Mayor. Firstly, can I welcome your campaign against further cuts to police funding in London? You will of course have the full support of all my Labour colleagues and me.

Mr Mayor, I really want to ask you about the real impact of your police budget on London and Londoners. Can I also welcome your often-mentioned determination to keep London and Londoners safe? In light of that, can you spell out the dire consequences of not increasing the police precept?

**Sadiq Khan (Mayor of London):** You raise two issues there. One is the issue of the support across the Assembly for making sure we do not suffer from the new police funding formula and get the right amount for NICC. I really hope that consensus stays because we saw with the devolution of rail lines to TfL that suddenly the consensus was gone because of the Secretary of State for Transport and some of the questions at the last MQT from some Conservative Members surprised me in relation to the devolution of suburban rails. I am hoping with the campaign there is to ensure London gets the right amount of funding that there is cross-party support and that it stays cross-party even if things do not go our way early doors.

In relation to the consequences of not increasing the police precept, the Home Secretary could not have been clearer that as a consequence of decisions made last year in an election year from the previous Mayor to cut the police precept and council tax, we are paying the price. Londoners are paying the price. If I was not to increase the police precept by the amount the Home Office advises, 1.99%, it would have less funding than the Home Office says it needs. This would further increase the difficulty of maintaining police officer numbers. It would further compound the policy of my predecessor, which was to recklessly - and it was reckless - cut the police precept. I am not willing to risk the public safety for political expediency.

**Unmesh Desai AM:** I fully understand your remarks. Assembly Member Cooper talked about "eight wasted Conservative budgetary years". Would it be fair to say that your predecessor's legacy to London in terms of policing is that there is less money for policing in the capital and it has left you with a weaker negotiating position on the next budget with the Home Office?

**Sadiq Khan (Mayor of London):** Without a doubt - and the Home Office will say this - publicly and privately. Also, do not forget that each year - it is a point that Sian Berry was alluding to now - you lose not just the money, but you lose what is called the buoyance, the additional number of people, for very obvious reasons, who pay the council tax. That buoyance is taken into account in subsequent years and we lose that as well. It is not simply a finite amount, but it is the people you have lost who are council taxpayers as well.

I am quite clear: I want to keep taxation as low as possible, subject to keeping our citizens and those who visit our city safe. The police precept goes up by the amount the Home Office says it has to go up by: 1.99%. The rest we freeze.

**Unmesh Desai AM:** Finally, Mr Mayor, I totally agree with you when you talk about the need for all-party support for your campaign. I think Assembly Member Bacon stated his own support and his colleagues', and I am sure all my other colleagues will support your campaign.

As part of the campaign, do you think that by putting up the police precept on Government advice it does show the Government that you are taking the budgetary situation seriously and are willing to do everything it takes to keep the capital safe?

**Sadiq Khan (Mayor of London):** I hope so. I have been really impressed with the relationship the Home Secretary and the Minister for Policing have with us. Brandon Lewis [Minister of State for Policing and the Fire Service] and Amber Rudd [Home Secretary] have been really collegiate in relation to a number of issues and so I am hopeful that we are making a persuasive case based on the evidence. Both the NICC grant money and lobbying not to change the policing funding formula in a way that will devastate our budget, but also to make sure they recognise that London is complex, is difficult and we need the right amount of funding to keep our citizens and visitors safe.

**Unmesh Desai AM:** Thank you, Mr Mayor. I hope that relationship continues because nothing is more important than keeping London and Londoners safe.

**Tony Arbour AM (Chairman):** The next series of questions relates to LFEPA. **David Kurten AM:** Thank you, and thank you, Mr Mayor. I am sure we all agree here in the Assembly - and you - what a fantastic job the London Fire Brigade does keeping London safe, but in this year's budget there is a cut of £10.8 million to LFEPA. How will the London Fire Brigade be able to maintain its superb level of service with this £10.8 million cut?

**Sadiq Khan (Mayor of London):** Can I thank you very much for your comments about the firefighters? What you said was so important. We saw over the last couple of days the heroism of our firefighters and so it is really important what you said. Can I echo what you said? I thank you for saying that.

The budget plans for 2017/18 are still being refined and updated, although they will not be finalised until LFEPA approves its final budget in March. One of the challenges I set LFEPA - and I have a former chair and current chair sitting here - was to do more now in the budget-setting year to close the gap later in the four-year period. I am pleased and proud, as I am sure the chair and the current chair will be, that they have now been able to respond to this in their next iteration of their budget, which now shows a fully balanced position for the first three years and a reduction of £3.3 million in the gap in the final year. This brings it down, as you alluded to, from £13.9 million to £10.6 million. LFEPA has committed to continue this process, which looks to bring forward savings wherever possible so the gap may be reduced further. This is in addition to the work it is doing to identify further savings based upon the proposals in the new London Safety Plan. I am pleased that my funding commitment to LFEPA has provided such financial certainty for the Fire Service and it is good that there is a balanced position for three years.

**David Kurten AM:** Thank you. In the copy of the budget I have, there is a reduction of £400,000 in operational staff from £234.3 million to £233.9 million and so a £400,000 cut in operational staff. I do not know if that has been updated now by LFEPA, but would that mean that there will be any cuts in operational staffing or not?

**Sadiq Khan (Mayor of London):** I just reassure you - and I am not sure about the exact figure - that there will be no fire stations closing down, no fire engines lost and no firefighters lost. We are doing some asset



management planning. I referred to this in the Budget and Performance Committee in response to a question that Assembly Member Cooper raised about her concern about fire station closures going forward and I reassured her then that what we are doing is looking at our estate. We are not closing down because we need to make cuts or savings. We are looking at our assets. To reassure you, there is not a situation - as there has been in previous years - of stations, engines or firefighters being lost.

**David Kurten AM:** Thank you. The other big cut I see in the table here on page 63 of the document I have is a figure relating to other staff, which is going down from £55.4 million to £49.8 million. That is a reduction of £5.4 million in the budget for other staff, non-operational staff. What does this mean for the Fire Service?

**Sadiq Khan (Mayor of London):** Those are the efficiency savings that the London Fire Brigade recognised it had to do, and it is up for it. If you remember, the Anthony Mayer report [*Review of Resourcing of the London Fire Brigade, 2016*] looked at some of the decisions made previously and asked the question - I am paraphrasing the question and so forgive me if I am not exact - are we fit for purpose and can the Fire Service keep Londoners safe? The conclusion he reached was that because of the fantastic work of firefighters and the leaders, we can do it and we can also make the efficiency savings that we need to make over the next few years.

That is why I am pleased there is a balanced budget, but it is going to be tough. The new Commissioner [of Police of the Metropolis] is fantastic. She recognises she has to make these savings. Relations between firefighters and the management are good and so I am hopeful that we are going to get there.

**David Kurten AM:** You mentioned the Mayer report, but there is also the Harris review [*Review of London's Preparedness to Respond to a Major Terrorist Incident, 2016*] as well, and one of the recommendations is that we need more training in preparation for a marauding terrorist firearms attack, specialist training for firefighters. I understand that you are having negotiations or someone in your team is negotiating with the Home Office to get extra funding for that purpose. Can you give us an update of how the progress of the negotiations is going?

**Sadiq Khan (Mayor of London):** You will be aware - and I know it is frustrating for Assembly Members - that it is not right to give a running commentary on discussions with central Government because there is a sense of goodwill that takes between us and Ministers and their officials and staff. All I will say is that it is a good thing, but the Fire Minister is also the Policing Minister. Assembly Member Prince referred to this. His experience in local government helps as well.

Let us wait and see. They have the Harris report. They understand the concerns raised in relation to marauding terrorist firearms attack. They understand the concerns that Lord Harris had. I am always hopeful with negotiations.

**David Kurten AM:** Thank you, Mr Mayor.

**Tony Arbour AM (Chairman):** The next series of questions is related to TfL.

**Caroline Russell AM:** Mr Mayor, you need TfL's income to cover the total cost of its operations as the general Government grant is phased out, and your business plan is based on an 11% increase in bus ridership and a 20% increase in bus fares income, taking you up to 2022. In an earlier meeting, Mike Brown [MVO], TfL Commissioner, has acknowledged that the TfL budget is at risk if you cannot hit that target. As we know,

buses have been getting slower as London gets more congested and Londoners have been abandoning them. We have seen a 5% year-on-year drop.

My question: is your target for an 11% rise in bus ridership realistic, when in your business plan you expect the number of car trips to remain the same over five years and you are also planning a big push on Healthy Streets projects, which is going to rightly mean there is going to be some reallocation of road space? How are buses going to be made more appealing for fare-payers?

**Sadiq Khan (Mayor of London):** That is a long question. I am going to try to give a short answer.

You are right that the numbers of people using buses is less than TfL predicted, but it is still going up. We want it to go up more and it is really important that we do so. Hopper fares led to a new generation of people using buses that were not before. You are right, though. One of the reasons why people do not like using buses is that there is no certainty they will get from A to B within the time they want to. The lack of being able to predict a journey is a problem. We have published a road reliability plan in November. That has started the process in relation to making our roads more reliable. The Transport Strategy is looking at everything. Nothing is off the table. I welcome the report from the Assembly last week in relation to some blue-sky thinking and also some short- to medium-term work that can take place to make our roads more reliable.

The Elizabeth line opening gives us opportunities because Crossrail going through London, with an increase in 10% of public transport capacity, could free up buses from Oxford Street and that part of London to outer London. We have to make those more reliable. We are having these conversations with colleagues, local authorities, utility companies and others. From 2018 we hope to introduce unlimited one-hour travel on buses. That will get people into the practice of using buses, which is really important.

The final thing I will say, because I know you want to ask more questions, is that we will now have quarterly performance reports, which is an innovation that came from a recommendation led by Assembly Members. That will mean we can monitor progress being made, but also to reassure you the new TfL board understands the importance of more people using buses and will hold - I say this in a friendly way - senior management TfL staff's feet to the fire in a constructive way over the course of the next period.

**Caroline Russell AM:** Thank you. "Nothing off the table" sounds very hopeful. TfL recently wrote to me saying that it is taking steps to ensure black taxis can access 60 additional bus lanes. That is 20 on TfL roads and 40 bus lanes on borough roads. Will that not make the buses even slower and less appealing? Why is TfL pursuing that policy?

**Sadiq Khan (Mayor of London):** Can I just reassure you? The reason why buses are going slow is not because of black taxis. The reality is that, for historical reasons, there has been this quirk where some bus lanes cannot be used by black taxis and some can, and it is an anomaly we are seeking to address. You can compare and contrast 22,000 black taxis versus 110,000 minicabs. I have no powers to cap the numbers of minicabs and so there is an issue in relation to PHVs, which I am very happy to discuss with you, but there is no evidence at all that the reason for buses travelling not as fast as we would like them to travel is because of black taxis.

**Caroline Russell AM:** We probably need to look into that. I completely agree that PHVs are much more of an issue, but within your plan you are going to have to make some hard choices at times and obviously prioritising the buses absolutely over pleasing everyone is going to be one of those.

Just taking us on to congestion charging, it is a very blunt instrument and it is clearly not working well enough at the moment. You mentioned that nothing was off the table. Smart road pricing is one way that you can cut the number of cars on the roads, in turn making the buses more appealing to fare-payers and ultimately helping your five-year plan to add up. Will you commission this study and publish some results?

**Sadiq Khan (Mayor of London):** You will have heard the very warm words from my Deputy Mayor [for Transport] last week in relation to this issue. We are currently working on a Transport Strategy. I will say to you - I say this to colleagues all the time - that, honestly, Val [Valerie Shawcross CBE, Deputy Mayor for Transport] is the most approachable person in the world and so please feel free to lobby my Deputy Mayor in relation to this issue.

**Caroline Russell AM:** I do.

**Sadiq Khan (Mayor of London):** I thought you would. The ends we want are the same. How we get there we can discuss and debate.

**Caroline Russell AM:** Thank you.

**Keith Prince AM:** Good morning, Mr Mayor. Mr Mayor, can you confirm that on 4 February 2016, during *The Late Debate* with Zac Goldsmith [MP for Richmond Park], you said, "You will pay exactly the same fares in 2020 as you pay now, not a penny more. That is the promise I am making"?

**Sadiq Khan (Mayor of London):** I am not sure if it is a serious question to ask me to recall what I said in February.

**Tony Arbour AM (Chairman):** It clearly is a serious question. He thinks it is a serious question and it probably deserves a serious answer.

**Sadiq Khan (Mayor of London):** I will try my best, Chairman, but it is difficult with a straight face to answer some of the questions I get.

**Tony Arbour AM (Chairman):** Give it a go.

**Sadiq Khan (Mayor of London):** The Mayor is responsible for TfL services --

**Keith Prince AM:** I am sorry, Mr Mayor. Can I assure you that that is what you said? Secondly, Mr Mayor, can I --

**Sadiq Khan (Mayor of London):** We would have to know the context it was said in, Chairman. We would have to know what the entire transcript was and what the entire debate was. To cherry-pick one line from a debate when there are loads - and manifestos - is a bit unfair, even you would accept.

**Tony Arbour AM (Chairman):** It is called 'politics', Mr Mayor, and that is what he is doing.

**Keith Prince AM:** Thank you, Chairman.

**Sadiq Khan (Mayor of London):** You said it, Chairman.

**Keith Prince AM:** Can I ask you to confirm, Mr Mayor, that (1) you did not see or receive a briefing note on what it would cost to include Travelcards and freezing the cap and National Rail fares and (2) no one advised you that it was possible?

**Sadiq Khan (Mayor of London):** I did not see any advice and, as you know, I do not need any formal advice because I, in my manifesto, was quite clear in relation to what I want TfL to be. You will be aware that previous Mayors sought formal advice from TfL in relation to the issue of fares, but because I have a manifesto the instruction was quite clear --

**Keith Prince AM:** Thank you. Thank you very much. That is fine. Thank you. I am sorry, Mr Mayor. We just do not have a lot of time. I do apologise, but thank you very much for answering --

**Sadiq Khan (Mayor of London):** You asked the question, Keith.

**Keith Prince AM:** No, you have answered the question.

**Sadiq Khan (Mayor of London):** Chairman --

**Keith Prince AM:** No, you did answer the question and I am grateful.

**Sadiq Khan (Mayor of London):** Chairman, I have been asked a question and I am entitled to give an answer.

**Tony Arbour AM (Chairman):** It is up to him if he thinks that you have answered satisfactorily or not. Do bear in mind, Mr Mayor, that it is his time and there is a competition to see who can waste it the best.

**Keith Prince AM:** Mr Mayor, you answered that and that is fine and that is correct. Can you confirm, Mr Mayor, that on 14 September 2016, when you said, "There is no process for me to deliver on that" - meaning including Travelcards, freezing the cap and National [Rail] fares - you were telling the truth?

**Sadiq Khan (Mayor of London):** Chairman, I cannot recall what I said in November, like I cannot remember February --

**Keith Prince AM:** September, it was, Mr Mayor.

**Sadiq Khan (Mayor of London):** -- but I am happy to, given the entire context and what I said, talk to you. I can talk about what my powers are and what I can do and what my manifesto said but Assembly Member Prince, for reasons that are obvious, does not want me to answer the question fully.

**Keith Prince AM:** Thank you.

**Sadiq Khan (Mayor of London):** He is playing politics, Chairman.

**Keith Prince AM:** We are playing politics. That is because we are politicians. As you are aware, new evidence has come to light, Mr Mayor, last week that proved not only was it possible for you to freeze all fares but that senior members of your staff in your office were informed of this in a TfL briefing. Are you seriously telling us, Mr Mayor, that they did not share that briefing with you?

**Sadiq Khan (Mayor of London):** This is where I have to not play politics and answer your question fully because you are misleading the public.

**Keith Prince AM:** Not at all.

**Sadiq Khan (Mayor of London):** Fares on TfL services are set by the Mayor. Fares on National Rail services are set by the train operating companies (TOCs) within fare regulations set out by Government. Many fares are set jointly by TfL and the TOCs under fares agreements that predate the creation of TfL or the privatisation of British Rail.

**Keith Prince AM:** That is correct.

**Sadiq Khan (Mayor of London):** This is the important point so that you stop misleading the public. The Travelcard agreement has been in place since the 1980s. It creates a multimodal ticket that can be used for both TfL and National Rail services. The agreement mandates that annual fare changes need to be agreed between TfL and the TOCs. The Mayor has no choice but to go either with the fares agreed with TfL and TOCs or the default retail price index (RPI) increase. The RPI, 1.9% and the agreement with TfL and TOCs we know about --

**Keith Prince AM:** That is not the issue, Mr Mayor.

**Sadiq Khan (Mayor of London):** You are misleading the public --

**Keith Prince AM:** I am not. You are the one misleading, Mr Mayor.

**Sadiq Khan (Mayor of London):** I know that the Chairman thinks you are out to play politics, but do not mislead the public, Keith.

**Keith Prince AM:** You are not answering the question. The very simple question is: because you have previously denied that you had the power to freeze all fares, as you said on 14 February 2016, you have denied the power, but you do have the power and your office received a briefing note to inform you that you could freeze those fares. I am asking you in very simple terms. Did you or did you not see that briefing note?

**Sadiq Khan (Mayor of London):** I answered it four questions ago, Chairman. Chairman, I do not mind doing politics, but he is just so bad at it. The Mayor is responsible for TfL services only. Travelcards and the associated daily and weekly fares are set by the Government in agreement with the private companies, which decided to increase their fares in line with inflation.

**Keith Prince AM:** Mr Chairman, I am not interested in that. I am not interested in that. I am seriously not interested in that. Did you see the note, Mr Mayor?

**Sadiq Khan (Mayor of London):** I answered it four questions ago. I did not see the advice.

**Keith Prince AM:** Did you see the note? Did you see the note, Mr Mayor?

**Sadiq Khan (Mayor of London):** I answered five questions ago. No, I did not.

**Keith Prince AM:** You did not. All right. Can you tell me then, Mr Mayor, if you did not see the briefing note that was sent to your officers, what you are going to do to reprimand your senior officers - Nick Bowes [Mayoral Director of Policy] being one of them - because they withheld crucial information from you?

You misled the Assembly when you said, "I do not have the power to make those savings to freeze all fares". You clearly do have the power, Mr Mayor. It is in the briefing note that your office received. People who sit in your office received that. You are now telling me you did not see it, and you are now telling us and expecting us to believe that your officers did not make you aware of that. Let us be generous and say you have unknowingly misled the people of London.

My question to you, Mr Mayor, is: what are you going to do about those officers who have embarrassed you in front of the people of London?

**Sadiq Khan (Mayor of London):** I do not at all feel embarrassed for myself, Keith, but let me answer your question directly. The Mayor is responsible for TfL services only. Travelcards and the associated daily and weekly cap levels are set by the Government in agreement with the private TOCs, which have decided to increase their fares in line with inflation.

**Keith Prince AM:** That is not the question, Mr Mayor.

**Sadiq Khan (Mayor of London):** I have received informal advice --

**Keith Prince AM:** You told the Assembly that you did not have the power to do something when your officers were fully aware of the fact that you did have the power to do it. Mr Mayor, it is not a question of whether or not you chose to. Of course you are free to choose whether or not you can do something. I respect that absolutely.

The question is: you misled - I will say it was not knowingly - the people of London by saying that you did not have the power to do it. You did have the power to do it, Mr Mayor and you have been embarrassed by your office and you have - unwittingly, let us say - embarrassed the people of London. I am going to leave it there, Mr Mayor.

**Sadiq Khan (Mayor of London):** Listen, if one of us is embarrassed, it is not me.

**Keith Prince AM:** Sorry, there is one other question, Mr Mayor, just one other question. What happened to the bus fare reductions that you promised?

**Sadiq Khan (Mayor of London):** Let me answer the last question I was not allowed to answer first.

**Keith Prince AM:** No, I do not want that. What happened to the bus fares you promised?

**Sadiq Khan (Mayor of London):** Chairman, it is a decision for the Government and private rail companies, which continue to put up the rail fare prices in line with inflation.

**Keith Prince AM:** No, we have heard that. I do not want to hear that. The question, Mr Mayor, is: what happened to the bus fare reductions that you promised?

**Sadiq Khan (Mayor of London):** It is not down to me. It is for the Government and private TOCs.

**Keith Prince AM:** What happened to the bus fares reduction that you promised, Mr Mayor? What happened to that? I do not see that in the budget.

**Sadiq Khan (Mayor of London):** Sorry, Chairman. I am not sure what he is talking about. It is not the first time.

**Keith Prince AM:** You promised the people of London to reduce the bus fares. Where is the bus fare reduction in the budget? I do not see it.

**Sadiq Khan (Mayor of London):** I have no idea what you are talking about, as ever.

**Keith Prince AM:** Let me assist you, Mr Mayor, "Sadiq Khan for London. Transport. Subscribe and get updates". Your website:

*"All TfL Underground, Docklands Light Railway (DLR) and Overground fares will be frozen for four years, paid for out of existing TfL budgets and efficiencies. In addition, there will be a first-year cut and then a freeze in bus fares."*

Where is the bus fares freeze, Mr Mayor, you promised on your website?

**Sadiq Khan (Mayor of London):** Let me explain again. My promise was to freeze TfL fares. Over the last eight years --

**Keith Prince AM:** "There will be a first-year cut and then a freeze in bus fares." Where is the first-year cut in bus fares, Mr Mayor? You promised on your website.

**Sadiq Khan (Mayor of London):** I will try not to raise my voice like you have. My promise was to freeze TfL fares and the context was --

**Keith Prince AM:** No, your promise was on the bus fares. What has happened to it, mate? What has happened to the bus fares?

**Sadiq Khan (Mayor of London):** The context was that over the last eight years, TfL fares had increased by more than 42%, as indeed had Travelcards increased by more than 42%. I made a promise to --

**Keith Prince AM:** Thank you, Mr Mayor. We will take that there. Can we assume then, Mr Mayor, that that is another broken promise by 'Mr Can't Deliver My Promises'? Thank you very much.

**Florence Eshalomi AM:** Thank you, Mr Mayor. I am going to stick to buses as well. I should declare an interest. As I find my bump getting bigger and bigger, it is quite difficult using the Northern line and I am relying more on the buses now. It was really good to get on the new fleet of 133 buses, the new Enviro buses.

Just coming back to buses, one of the things that I wanted to ask you about and highlight, Mr Mayor, is the fact that the bus kilometres across the TfL network are not actually going up that much. You may be aware that in the business plan it states that TfL intends to operate 497 million of bus kilometres across the network. Why is that not going up when we need to see more bus networks increasing across London?

**Sadiq Khan (Mayor of London):** I referred to this in answer to a question from Assembly Member Russell and Assembly Member Pidgeon asked me this at the Budget and Performance Committee as well. We are reconfiguring the way buses work in London over the next period in relation to the opportunities provided by the Elizabeth line.

Let me give you some examples. The bus network needs to remain flexible to match passenger demand. In areas of growth, there may need to be more service being provided, and in areas where people are to use upgraded rail, Tube services - think of the Elizabeth line or the improvements - or to walk and cycle, then bus services can be reduced in those parts of London accordingly. Our business plan provides funding for stable operated kilometres for the bus network, anticipated to hold the overall level of service the same while adding services in demand growth areas. In central London, around Oxford Street and the Elizabeth line, you may see fewer buses. In outer London, you will see an increase in buses, but the overall kilometre distance will stay broadly the same.

**Florence Eshalomi AM:** I did raise this with Leon Daniels [Managing Director of Surface Transport, TfL] at the last Transport Committee earlier this month. One of the reasons he gave to that question was around the fact that TfL cannot afford it. That is what he said at the Transport Committee. Would you agree with that? Is it because of just cost pressures?

**Sadiq Khan (Mayor of London):** No, not in relation to increased kilometres. It is a question of where the need is. You will know from the surgeries you do that one of the biggest gripes people have is empty buses going down the road, 'clogging up the roads', in inverted commas. We have to reconfigure our buses and the Hopper fare is helping. Unlimited bus travel within an hour in 2018 will help. The Night Tube is helping in relation to the night buses as well. We have a huge opportunity. If we can alleviate some of the congestion on our roads with the road reliability plan, we will have - in outer London we do not have separate bus lanes - more reliable bus services. We want to increase usage in those parts where there is need for more buses. Where people are walking more, cycling more or using the Elizabeth line or other improved public transport more, we can reduce the buses there.

**Florence Eshalomi AM:** That is good. In terms of redistributing some of that capacity, do you have any figures on what your predecessor did and how successful that was?

**Sadiq Khan (Mayor of London):** As part of the Transport Strategy we are looking at lessons learned from the past. For example, is it wise for there to be sometimes 300 buses an hour in Oxford Street, bearing in mind that Westminster Council is very keen to work with us to improve that part of London? We are looking at lessons we can learn from the past going forward and that includes - we now have quite sophisticated data as to bus usage - what times of day as well.

**Florence Eshalomi AM:** Finally, I met with a group called Resolving Chaos last week and a number of them were in wheelchairs. I am sure you saw the judgment two weeks ago in the Supreme Court with the landmark case. I tweeted that this is a really good, sensible decision and had a barrage of abuse from people saying, "No, that space should be for mothers and their buggies". I am sure this is something that you welcome, and you may be aware that the Bill is currently going through Parliament.

Would you ensure that TfL makes representations to say, "We welcome this decision in London"? A number of disabled passengers across London still experience a lot of difficulty getting on our buses.



**Sadiq Khan (Mayor of London):** My answer is very simple. Public transport must mean public transport, and disabled Londoners are part of the public who deserve to use public transport. They pay taxes, too, and they deserve a decent public transport system.

You will have seen our announcement in relation to the record investment for step-free access on our Tubes. The London Overground is getting better. The DLR is already at all stations step-free. The Elizabeth line will be step-free. We are improving training of the bus drivers in relation to those who are disabled and mums and dads with buggies as well to make sure priorities are right. It is really important. We are using the opportunity of the retendering of the franchises to make sure the quality of bus drivers continues to improve, as it has been. It is good; it is going to get even better going forward.

You are right. We have to remind ourselves that it should not be 'them or us'. If we can improve step-free access and improve the quality of public transport for those who are disabled, it improves it for others as well.

**Florence Eshalomi AM:** All right. Thank you, Mr Mayor.

**Sian Berry AM:** Thank you. I have quite a quick, sensible and factual question on fares. I did see your pledge on TfL fares during the campaign. I appreciate that we have a fares agreement with the TOCs and that they would need quite excessive compensation if we were to ask them to freeze their portion of Travelcard income.

Can you confirm that this year you have not taken any money off the RPI increase in the TfL portion of Travelcard income?

**Sadiq Khan (Mayor of London):** I have a briefing here about how that works, which I am happy to answer. I am not sure how much time you have left. Let me explain how it works.

The TOC front fares are divided into regulated and unregulated fares. All regulated fares need to comply with the regulations set by the Government. The nature of these regulations has changed over the years. At present, the Government has made clear its intention to have TOC fares increased by RPI during the current Parliament.

**Sian Berry AM:** At maximum RPI.

**Sadiq Khan (Mayor of London):** In the past, the Government has allowed individual fares to increase by up to 6% above the regulated fares target provided that overall the fares increase by the target date. For the last few years, the Government has changed these regulations, removing this flexibility or replacing it with other provisions. Now no individual fare can increase by more than RPI, but, if the RPI increase amounts to an increase of less than 10p, then that individual fare is allowed to increase by 10p. This works against London as so much of fares income comes from pay-as-you-go where fares range from £1.50 to £7.60.

**Sian Berry AM:** Chairman, I believe I asked him a yes-or-no question some time ago.

**Tony Arbour AM (Chairman):** Which bit do you want to answer? Your time is up, but I think we would all like to know. Which bit do you want him to say yes or no to?

**Sian Berry AM:** That he has not taken any money off the TfL portion of the increase in Travelcard fares.

**Sadiq Khan (Mayor of London):** The way the Travelcard fares work is that there is TfL and there are the TOCs as well and so I am not sure what you are alluding to because basically --

**Sian Berry AM:** You could negotiate with the TOCs to take some money off the income you receive from those fares.

**Sadiq Khan (Mayor of London):** What I was getting to is that the issue of pay-as-you-go is different from the Travelcards. Pay-as-you-go is exclusively TfL. There is an advantage often to going pay-as-you-go, by the way.

**Sian Berry AM:** I do not recall you saying that you would freeze purely TfL fares.

**Tony Arbour AM (Chairman):** Perhaps you could send a written answer, please, possibly in words of one syllable. It is really quite hard to follow that one.

The next set of questions relates to the LLDC .

**Navin Shah AM:** Mr Mayor, good morning.

**Navin Shah AM:** On the LLDC, how will your budget for the corporation ensure the Olympic legacy is not tragically squandered?

**Sadiq Khan (Mayor of London):** Thank you for your question. This is an issue that is a huge source of concern for many Londoner, and non-Londoners, too. My budget for the LLDC includes £40 million of capital expenditure up to 2020/21 to speed up the delivery of housing in the Olympic Park and two key development sites, Pudding Mill Lane and Rick Roberts Way. There are £4 million of additional costs for resourcing and fees to make this happen and £36 million of costs that would have been incurred later but have been brought forward. The latter relate mainly to putting in the necessary infrastructure.

I have not finalised the numbers and mix of housing units at this stage - this will be something that will be developed in the coming year - but I am laying down the foundations for acceleration of a key element of the Olympic legacy, including £13 million of expenditure next year.

**Navin Shah AM:** Thank you for that, Mr Mayor. As we heard at the Budget and Performance Committee - and indeed we had a similar discussion at the Regeneration Committee recently, in fact, last week - there are concerns about the financial viability of the corporation. You have a situation where the LLDC needs to increase its income fivefold to break even and currently faces £5 million costs every year in supporting the stadium.

Can you tell us what degree of liability you will be willing to eventually pass on to the host boroughs, given the situation, when it comes to it?

**Sadiq Khan (Mayor of London):** In relation to passing the liability on to boroughs, it is a conversation we have with the boroughs. You know that Newham is part of the partnership with E20 going forward. One of the reasons why I launched my investigation into the stadium was to learn lessons from the past but also to see what we can do going forward because you are right. It cannot be right that there could be liabilities being passed on to the taxpayer, London government and local government as well. That is why we are keen to make sure we get the right teams in place to make sure do not have a situation where, in subsequent years, we

are paying for the stadium to go from a football stadium to a multipurpose stadium and back to a football stadium every year. It is not sustainable.

**Navin Shah AM:** Moving on to the stadium where we have a long-running furore about the conversion and financial arrangements with West Ham United, which leaves the E20 Stadium and the LLDC with considerable financial responsibilities, these have obscured the whole issue about the sporting legacy of the Games. Mr Mayor, when are you likely to publish the terms of reference of your inquiry into the stadium and when do you expect to publish the report itself on that?

**Sadiq Khan (Mayor of London):** We have some timelines I can give you. We are hoping to have appointed a successful expert to do the work towards middle or late February [2017] and we will discuss with them time limits.

Can I explain a complication? We have to make sure that the person doing the work is not conflicted because of having been awarded a contract and it seems that everyone was awarded a contract during the Olympics. It is not a criticism. We have to be careful about potential real or perceived conflicts of interest. Once we have a consultant in place doing the work, I want to set out an idea of the timescales for when we will have a report, even if it is an interim report, so that we can save money sooner rather than later. I am keen for that to happen.

**Navin Shah AM:** It will be useful. Thank you very much.

**Tony Arbour AM (Chairman):** The final formal section relates to the OPDC.

**Andrew Boff AM:** Mr Mayor, were you made aware of the amended budget for the OPDC when you came to develop the budget we have in front of us?

**Sadiq Khan (Mayor of London):** Do you mean the agreement reached between the Chief of Staff and the Chair of the OPDC? It is the same person, by the way.

**Andrew Boff AM:** The £11.4 million. Were you aware of that?

**Sadiq Khan (Mayor of London):** The £6 million?

**Andrew Boff AM:** No, the £11.4 million. Were you aware of that?

**Sadiq Khan (Mayor of London):** Do you mean the revised budget?

**Andrew Boff AM:** The revised budget, yes.

**Sadiq Khan (Mayor of London):** I was aware of the revised budget, yes.

**Andrew Boff AM:** Why did you decide to cut funding to what is arguably Europe's largest regeneration project?

**Sadiq Khan (Mayor of London):** It depends whether you want to use a base budget figure, a revised budget figure or a forecast outturn figure in relation to whether there is a cut or whether there is an increase. If you use, for example, the base figure, there has been an increase in the budget the OPDC receives. If you

use the revised budget, there has been a decrease. If you use the forecast outturn figure, there has also been a slight decrease.

The good news is that as a result of the representations quite forcefully made by the Chairman of the Budget and Performance Committee - and he was being constructive but it was quite forceful, though - I have reviewed my position and increased the contingency by another £1 million. You would be very generous to say that I doubled it, but I took on board the forceful representation made by Gareth Bacon [AM], just being careful to make sure we do not prejudice our interests.

**Andrew Boff AM:** Thank you very much. Are there any other budget headings on which you have based the budget upon the outturn for the previous year?

**Sadiq Khan (Mayor of London):** The answer being whispered to me is yes. No, I am not sure, but are there three different figures you can use? The budget sets out what it is needed to deliver post the review. During the Budget and Performance Committee we spent some time on this, and the other David [David Gallie, Assistant Director of Finance, GLA] explained that there are three potential figures we could have used, which are the base budget, the revised budget and the forecast outturn figure. All three have pros and cons.

**Andrew Boff AM:** Both the Budget and Performance Committee and at yesterday's Housing Committee the National Housing Federation expressed concerns that the cut in funding for the OPDC would result in a reduction of the numbers of properties being developed. What reduction from the 11,000 do you anticipate from the Old Oak Common development?

**Sadiq Khan (Mayor of London):** None. I am sure you have done your research before asking the question, but there is Old Oak North and there is Old Oak South.

**Andrew Boff AM:** To help you, Mr Mayor, there are 11,000 homes currently in the pipeline.

**Sadiq Khan (Mayor of London):** Old Oak North, as you are well aware, I am sure.

**Andrew Boff AM:** No. The 11,000 in the pipeline. How much will they be reduced by as a result of the budget cut?

**Sadiq Khan (Mayor of London):** None.

**Len Duvall AM:** You identified Old Oak in the original consultation as being a key issue. You have just answered the Assembly Member that there is going to be no reduction on the housing there. In your own mind, as Mayor, are you committed to MDCs as being strategic delivery vehicles that can give some targeted action and can deliver, as they are meant to, in a faster time?

**Sadiq Khan (Mayor of London):** Yes.

**Len Duvall AM:** You are. In that sense, over the years, looking at the Olympic MDC, this MDC, one of the criticisms I have had of officers in this building is that they are not really operating like functional bodies within one GLA family and that officers have to deliver for each other to deliver the mayoral ambitions. Do you have any sense of that in terms of some of the programmes around this MDC and, in particular, delivering those

targets for the future? The Assembly Member raises rightly some issues of concern. You have given that commitment that we are going to stick to this target, but I just have a feeling about the people sometimes in this building not taking ownership because it is another functional body. They are not working as a family.

**Sadiq Khan (Mayor of London):** That is a very fair analysis and one of the reasons why we undertook the review of OPDC was to learn the lessons. By the way, working closely together does not mean that my Chief of Staff is also the Chair of the OPDC, but it means making sure that we understand the lessons learned and work closely together. Nor does it mean him writing himself a one-year £6 million budget.

**Len Duvall AM:** Also in terms of MDCs, there is not just one way to deliver some of these targets. They are individual by nature because of the strategic sites in quarters that they are trying to create. Is that your understanding?

**Sadiq Khan (Mayor of London):** They are big and complex and take many years to bear fruit. Far be it from me to accuse a Conservative Assembly Member of misleading the public, but Old Oak North, which is the 11,000 homes that are currently in the pipeline, is fine and we are working closely in relation to that. Old Oak South, which was the challenging public sector site: best-case scenario, late 2020s we get the first home being built there or 2030s being realistic. High Speed 2 (HS2): 2022, best-case scenario.

The impression being given by mischievous Assembly Members is that somehow these homes in 2030 are at risk. That is not the case. The 11,000 for Old Oak North are fine. We are working closely with the three councils and with the other partners. We will have a new chair very soon. These are big, complex projects. We learned from the LLDC that there are ebbs and flows during the period. We are using the experiences from the LLDC - some good, some bad - to get the best for the OPDC.

**Len Duvall AM:** Rightly so, Mr Mayor, you made a real play in a way that politicians for a long time have walked away from about cultural activities and their contribution to London and growth in the economy in many ways as part of that driver.

Going back to the LLDC, can you just give us an update of where you think we are in terms of progression about that Cultural Quarter, which admittedly started under a predecessor but you have indicated your support for? Where do you think that is going and what are some of the things we should be looking for over the coming year and in future years?

**Sadiq Khan (Mayor of London):** Firstly, you are right to remind everyone of the importance of culture as the DNA of our city and the glue that binds us together, but also as a catalyst for economic regeneration and also the regeneration of people for fulfilling their potential as well.

I have to be honest. In relation to the maths of the LLDC, Assembly Member Shah alluded to this in his question about where we have been in the past and going forward. The Cultural and Education District - and I do not call it the 'Olympicopolis' for a variety of reasons, not least because I cannot pronounce it - brings together world-class cultural and education institutions. We have to make sure it stacks up. You will be aware of the concerns raised by constituents of Chairman Arbour [AM] and others about tall buildings in certain parts of London. One of the ways the sums appear to add up was by a very tall building in this part of London. We have to look at that. There are a lot of parts we have to bring together. There are a lot of moving parts. Justine Simons [Deputy Mayor for Culture and the Creative Industries] and Jules Pipe [Deputy Mayor for Planning, Regeneration and Skills] are working closely with all the partners going forward. I cannot give you a running commentary on those conversations, but there is a tough business case there. We have to make the

sums add up. Assembly Member Shah alluded to passing on the liability to future generations and I am keen to avoid that, recognising, though, that we want cultural and educational buildings and events taking place in this part of London.

**Len Duvall AM:** Some of those partners involved in that project are some Government departments, in terms of their funding streams and institutions, to allow things to happen if they want it to happen and rightly so. Is that part of some of those negotiations that are taking place?

**Sadiq Khan (Mayor of London):** Yes, and there are significant sums of money involved, not just from Government departments but some of these cultural institutions and learning centres. By the way, the longer this goes on, the more the costs go up and stuff. We are keen to get on with it and do it sooner rather than later.

**Len Duvall AM:** Mr Mayor, rightly, you said at the beginning of this debate that this budget is about stimulating growth in terms of what you can do in terms of pulling the levers. One of the issues that we have had to deal with in the past that has not quite worked out for us is the rail devolution issue.

We know the transport case for taking over suburban rail, but are you planning in terms of some of the lobbying to keep this on the agenda to explain to those in central Government that need to be explained about that economic case? We have had a conversation about that and, sadly, we have seen what has happened with disruption and the rail service and how it can affect the economy of London, both individuals and institutions. Is there an economic case that we are going to put together about rail devolution as we move forward in this century?

**Sadiq Khan (Mayor of London):** Absolutely. By the way, all the evidence - not just from London but around the world - is that infrastructure goes before housing. We have a big housing crisis and infrastructure is crucial. Transport is part of the infrastructure.

The raw test coming up is what happens in relation to Crossrail 2. We know the benefits of Crossrail 1. In fact, we probably were not as optimistic as we could have been with Crossrail 1 and the opportunities Crossrail 1 provides. We were in discussions with the Department for Transport (DfT) and the Treasury in relation to a funding regime for Crossrail 2 and, to be honest, that is the next staging post in relation to - in inverted commas - "Does the DfT get it in relation to why transport is so important for London's future prosperity?" By the way, London's future prosperity is important for the country's future prosperity.

For reasons that I am not going to rehearse, we can park Southeastern. Southern and South Western - let us hope - are still on the table, but the next staging post is really what happens in the budget around Crossrail 2. My team has been working their socks off to make sure the business case stacks up for Crossrail 2 and to answer the legitimate questions - and they are legitimate, I accept that - that Treasury had in relation to Crossrail 2.

I do not mind dealing with legitimate questions and providing the business plan. What I will not accept is, for party political reasons, a politician pulling the rug from under the feet of Assembly Members, council leaders, Members of Parliament, the Mayor and businesses for no other reasons than party political reasons.

**Len Duvall AM:** Just lastly from me, you answered Assembly Member Whittle about the Brexit issue, and I totally agree with your stance about the direction of travel and what we need to do here in London.

You mentioned – and you gave a taster in answer to Assembly Member Twycross – the skills agenda. It is new for us in some senses. We do not quite have a complete handle and devolution is there somewhere in the future.

Is there not a case in terms of your conversation with David Davis [Secretary of State for Exiting the European Union] – and you have mentioned that they seem to be going well on some of the issues – that we really do need a different way of delivering that skills agenda for the future and that more of the same post-Brexit is not really going to deliver what we want in terms of some of the challenges we face? Is there any understanding in some of the networks that you are talking to about that discussion taking place and is there a role in terms of some of this work – you are building the first foundation stones – and taking that discussion forward?

The fact that we are not having a discussion worries me. I am not saying that everything that has happened in the past has been wrong. I am just saying it is a different challenge that we face in the future in terms of some of their unknowns as we go on post-Brexit.

**Sadiq Khan (Mayor of London):** My analysis is that I just do not think the civil service, which provides the advice to the Ministers, is there yet in relation to a monumental sea-change in attitudes towards devolution. The phrase used by Ministers – because they have been given this phrase by civil servants – is ‘earned autonomy’, which is a suck-it-and-see approach. Adult education is going to come to us in 2019/20, 2019-plus. 2019/20 is a long way off – you are right – to express frustration.

In the meantime, there is stuff we are doing around the LEP and LEAP. The question was asked about the Growth Deal going forward and the Growth Fund. We are going to use some of that work around talent and Skills for Londoners going forward. An issue you have raised before around childcare: it starts in the nursery. One of the things you have tasked me to do is to go away before the next time I am here around what we can do there, and that might persuade the Government to give us more autonomy.

The genie has left the bottle in relation to devolution, whether it is Scotland, Wales, metro mayors or London. My concern is that there is a perception it is ‘mission accomplished’ with London. It really is not. Compare London to New York and Tokyo. We are far behind those cities. This is not simply because I am the Mayor; I would say the same if there was a Mayor here from a different party. You have to trust those nearer the coalface to make these decisions. Sometimes we will get it right and sometimes we will get it wrong, but far better somebody who is accountable to the electorate making those decisions than bureaucrats in Whitehall, love them as we do.

**Len Duvall AM:** Thank you very much.

**David Kurten AM:** One thing that does concern me in the budget, which is an ongoing thing, is the level of debt that some of the branches of the GLA group have, particularly TfL. We have, in the figures I have here, just over £12 billion as an authorised limit and just over £11 billion as an operational limit. I see an item in the TfL budget in the first section for debt servicing, £415 million, which is up from £371 million. That is a 12% increase in debt servicing which has to come out of the operational budget.

How has this occurred? It cannot go on forever. Is there any plan to reduce the level of debt that we have in TfL?

**Sadiq Khan (Mayor of London):** I have ensured that all the additional borrowing across the group is in line with the Chartered Institute of Public Finance and Accounting (CIPFA) prediction on borrowing. It is really

important. I spoke about this at the Budget and Performance Committee. Interest rates are low. It is a good time to invest.

TfL's additional borrowing - and you referred to the functional bodies - stays within the requirement that it breaks even and it is consistent with borrowing over previous years. MOPAC and LFEPA's additional borrowing is against a background of a revenue budget that requires savings to be identified. MOPAC's capital investment is crucial to the transformation we have to do around digital and estates. Reserves for each member of the group have been certified by the Chief Financial Officer, which is really important. Nevertheless, I believe reserves should not be tied up without a sound reason, as it is taxpayers' money, and all of this is carefully monitored.

**David Kurten AM:** Thank you.

**Tony Arbour AM (Chairman):** Thank you very much.

**Leonie Cooper AM:** Due to the efficiency of my colleagues, I have a slight element of extra time to ask you.

**Sadiq Khan (Mayor of London):** Also, you know how to ask questions.

**Leonie Cooper AM:** We do, and thank you for answering them. The area that I just wanted to come back to, which I did not dig into in quite as much detail, is that you talked about the welcome amount of additional budget that is going to support the work about the environment, but I would like to take this opportunity to find out a little bit more about how that extra budget is going to support the work of Energy for Londoners. You mentioned the Fuel Poverty Action Plan, in particular in relation to elderly people, which is a great concern in terms of not being able to heat cold homes.

I just wondered if you could talk a little bit more about what the budget is going to be supporting. There are the obvious links with Skills for Londoners and the low-carbon economy. Thank you.

**Sadiq Khan (Mayor of London):** We are developing strategies and modelling what is needed in relation to a number of things that you have referred to, but the key thing to emphasise is that we are bringing in monies from other sources, and you know about this. Just to give you some good news, there is new funding. In addition to the £1.2 million over and above provided by the previous Mayor, in addition to the £1 million for the buildings energy efficiency team as part of Energy for Londoners, we have managed to bring in £4 million from the European Regional Development Fund (ERDF) to support energy efficiency measures in public buildings and decentralised energy. We have managed to bring in through the London Green Fund, too, £150 million, some of it from the European Investment Bank. We are looking to leverage in further money to support energy efficiency measures, renewable energy projects and investment finance for businesses in the circular economy. Through the year, we are going to be looking to secure one-off funding to deliver plans that you, I know, care about: an energy supply company for London, energy efficiency measures to reduce the cost of energy bills, and funding to plant trees and green space in London.

I do not want you to think that the limit of our ambition is based upon the monies coming from this part of the family of funders, if you like. We are also using the work we can do with the other pools of money to do the work that we need to do as the global city.

**Leonie Cooper AM:** There is a lot of enthusiasm across London, Mr Mayor, to work with you on all of these areas. Thank you very much.



**Andrew Dismore AM:** I would like to follow up on Assembly Member Kurten's question about the capital budget, and it is to do with procurement. As we buy things from the EU and the United States, the effect of Brexit has already made those items more expensive. For example, we know that the fire engines the Fire Brigade is going to have to buy to replace the fleet are going to cost between £11,000 and £15,000 more as a result of the drop in the value of sterling. Brexit is already having an impact on our budget.

Have you done an assessment across the GLA as a whole as to the impact on our procurement budget of the drop in the value of sterling post June last year?

**Sadiq Khan (Mayor of London):** Yes, we have done some work on this. Let me give you another example of where it impacts us. We have some estate in the MPS we want to utilise and foreign exchange has an impact on that in relation to properties we have that are deemed surplus to our needs. There are huge benefits to us as a city in relation to the number of tourists coming to London because of the weak pound, but if we buy things from overseas it is a big issue. I would remind colleagues that we cannot enter into new trade deals with other countries until we have properly departed from the EU and so there are going to be some bumpy times before we get there. We are doing all sorts of contingency planning in relation to the consequences of Brexit.

**Andrew Dismore AM:** Even if we can enter into other trade deals with other countries in due course, it does not affect the current value of sterling. Have you given any consideration, for example, to the cost of the replacement of the MPS vehicle fleet, which has to be renewed quite regularly given the amount of stick that the police cars get, many of which are comprised of overseas components, particularly from the EU, bearing in mind the car industry is so international? That is potentially an enormous cost extra to the MPS, is it not?

**Sadiq Khan (Mayor of London):** All the functional bodies are having to make these decisions. More than two-thirds of TfL's budget, which is far bigger than the MPS's, goes on procurement. Many engineering firms are not British firms. Some are, but the supply chain may not be completely British. You referred to vehicles being bought in the MPS. The London Fire Bridge is not dissimilar. Local authorities are facing similar problems as well. These are some of the challenges all businesses, as well as the public sector, are facing going forward and these are uncertain times.

**Andrew Dismore AM:** Thank you.

**Tony Arbour AM (Chairman):** Thank you very much. We are grateful to you, Mr Mayor. That ends the question-and-answer session. Thank you so much.

**Sadiq Khan (Mayor of London):** Thank you very much.