

**London Assembly (Mayor's Question Time) – 20 February 2017**

**Transcript of Agenda Item 4b – Final Draft Consolidated Budget 2017/18: Questions to the Mayor**

**Tony Arbour AM (Chairman):** Members will now put questions to the Mayor seeking an update or clarification on matters relating to the Final Draft Consolidated Budget.

**Tom Copley AM:** Mr Mayor, good morning. My question relates to the Mayor's Care and Support Specialised Housing Fund. There was a significant underspend in that fund under your predecessor. Could you tell me how you intend to accelerate the delivery of supported housing in turning around this underspend?

**Sadiq Khan (Mayor of London):** Thanks for raising this, Assembly Member Copley. There are undoubtedly significant challenges to the delivery of supported housing, including - if we are candid - through uncertain treatment through welfare reform, shrinking levels of revenue subsidy from local authorities and rising costs of development and management. These factors are largely outside of my control, but delivery has not been helped by inflexible programme rules and a passive approach of waiting for partners to bid for schemes.

I am addressing both of these concerns by looking to fund supported housing from my main affordable housing programme. This more flexible approach, which could see schemes funded that do not fit within rules of other Government programmes, should increase delivery, which I know you are keen to see. I also wish to adopt a more proactive approach to commissioning supported housing schemes to meet known needs. In order to support this, I have adjusted responsibilities so that it now sits within the team that commissions my pan-London services to tackle rough sleeping.

**Tom Copley AM:** Thank you for that answer, Mr Mayor. In our London Assembly Housing Committee report, *Supported Housing in the Balance*, we call for better promotion of the fund to partners and more flexibility in the conditions applied to capital grant to encourage innovation and more agile provision.

How will the Greater London Authority (GLA) be actively promoting the fund and negotiated grants rates as bid submissions come forward under the Homes for Londoners framework in 2017?

**Sadiq Khan (Mayor of London):** What we are doing is deliberately making sure that we are funding housing support from the main affordable housing programme. It is not going to be an extra somewhere else. That flexible approach will mean that where there is difficulty finding funding from Government schemes and schemes from local authorities, we will be able to step in, hopefully. Homes for Londoners is really important in bringing together the different branches of GLA housing from land, from housing and from planning with a group of experts.

The key thing is this. You will know that the need for supported housing is going up in London. Housing associations have a role to play, but with the best will in the world, unless they have resources to help them, they cannot deliver some of the additional need that we need. I am hoping that this flexible, pragmatic approach will help to address the fact that, as you said, there has been an underspend in the last few years.

**Tom Copley AM:** In December [2016] your Deputy Mayor [for Housing and Residential Development] James Murray said he would be responding to the Department for Communities and Local Government (DCLG) and Department for Work and Pensions (DWP) consultation on funding supported housing. Will you share the GLA's submission with the London Assembly?

**Sadiq Khan (Mayor of London):** I am happy to.

**Tom Copley AM:** Thank you very much. That is all the questions I had on this, Mr Mayor. I will just say as well thank you very much for what you said about community-led housing and the additional money for the budget.

**Sadiq Khan (Mayor of London):** Pleasure. Thanks, Tom, for your hard work.

**Caroline Russell AM:** I am just going to very quickly mention, though, that it is disappointing that you have not done more to boost youth services. I know that Assembly Member Berry has pushed you really hard on that and it is disappointing that there has not been more done on that.

What I want to focus my time on is the funding for Energy for Londoners, your proposed fully-licensed energy supply company. Npower is planning a 15% energy price increase from 16 March [2017] and the Office of Gas and Electricity Markets (Ofgem) has said that it does not see any case for this hike. There are 348,000 Londoners already in fuel poverty and this price rise could push even more Londoners over the edge. Are you aware that Bristol Energy is already saving its customers an average of £240 a year when they switch from the average of the 'big six' standard variable tariffs to the Bristol Energy tariff?

**Sadiq Khan (Mayor of London):** Sure, but ours is not off the ground yet. We are doing the work required in the lead-up to that. There is lots of feasibility work taking place to get Energy for Londoners off the ground. Hopefully, once we are off the ground, we will try to make sure that we can learn the best from municipal energy suppliers around the country.

**Caroline Russell AM:** The background statement to your budget says that the capital programme reserve funding may be allocated to a GLA-controlled energy supply company. This is a change from the earlier version of the budget and it is very promising. Thank you.

However, your final draft budget does not actually include any details of the dedicated budget. The Bristol City Council invested £1.5 million in setup costs for its company, which is why we proposed in our budget amendment allocating that sort of sum for the setup costs for your Energy for Londoners.

Is this a priority for you? When you have previously said that it is, why is there not the actual money allocated for the setup costs in this budget?

**Sadiq Khan (Mayor of London):** Look, we are doing the work in relation to getting Energy for Londoners off the ground. In the meantime, we are dealing with fuel poverty by helping those [people] to scrap their old boilers and get new boilers in. You will be aware that not £1 million but £4.5 million was spent on the boiler scrapping scheme.

Fuel poverty is a big issue. Assembly Member Cooper raises it at every MQT, I think, and we are taking steps to address it. We are doing the work to make sure we get Energy for Londoners off the ground. Shirley Rodrigues, the Deputy Mayor for Environment and Energy, is working on one Environment Strategy, bringing

six different policy areas into one. Obviously, I am always keen for Assembly Members with expertise to feel free to meet my Deputy Mayors to raise any issues or to lobby as and when they see fit.

**Caroline Russell AM:** You are currently studying different options for an energy supply company. Are you saying that all the options are still open?

**Sadiq Khan (Mayor of London):** You need to speak to Deputy Mayor Rodrigues about this, but we are currently doing the feasibility work required to get Energy for Londoners off the ground. In the meantime, we are not sitting on our laurels. We have a boiler scrappage scheme to address the issue of fuel poverty in the short term.

**Caroline Russell AM:** In the June [2016] MQT, we talked about your plan. I asked you if it was going to be a fully licensed energy supply company and you said, "That is the idea". Are you still committed to it being a fully licensed energy supply company?

**Sadiq Khan (Mayor of London):** That is the idea.

**Caroline Russell AM:** Marvellous. It would be very good if you could stick to that idea because, that way, you are going to get many more benefits for Londoners. You are going to be able to set your own tariffs, invest in renewable energy and also grow and keep energy expertise in London rather than off in other places around the country.

**Gareth Bacon AM:** Mr Mayor, how many new staff are you going to be hiring in this financial year?

**Sadiq Khan (Mayor of London):** This year, for staff, the overall parameters of the GLA's and the functional bodies' budgets are approved in February and then each member of the group then finalises its budget plans within those parameters in March. That happens every year and you should know this as an experienced Assembly Member. I am quite surprised you do not know that. In March, we will have a better idea, once the different members of the group finalise their budgets. Ask the question again post March.

**Gareth Bacon AM:** Mr Mayor, I am very familiar with the process here but also, as I put to you a month ago, you must have an outside edge number in your head. Otherwise, you would not be able to fund it. How many people are you planning to hire in this financial year?

**Sadiq Khan (Mayor of London):** Let me explain. As somebody who is experienced, you should know this. We set the budget by the end of February. You know that. We will set the overall parameters and then each group then uses that envelope to decide how it will spend it.

You will also be aware that we will stay within the budget. You will know from the answer I gave at the last MQT and the last Plenary session that the Chief of Staff and the Head of Paid Service are looking in some detail at the potential staffing consequences that flow. The three particular reviews that I mentioned last time we discussed this was reviewing the fixed-term posts to see whether they should be extended, whether we need to make them permanent or whether we need new fixed-term posts to deliver short-term programmes - there were a lot of short-term programmes when the previous Mayor was in place - and also reviewing new permanent posts where these may be needed.

You will also be aware as an experienced Member of the Assembly that whenever there is a change of administration, these things happen. I am surprised that you are surprised.

**Gareth Bacon AM:** Really, Mr Mayor. You have been Mayor now for nine months and it is not unreasonable, as we discussed last time, for you to want to have new priorities and that might involve new staffing. That is fine. It might also involve terminating fixed-term contracts or, indeed, extending them or making them permanent. That is fine as well.

However, today we are being asked to approve your budget that will have to pay for this. It is, therefore, not an unreasonable question for Assembly Members to at least have an idea - it does not have to be precise but in ballpark terms - of how many new staff you expect to be in this building during this financial year. Can you give me a number?

**Sadiq Khan (Mayor of London):** It will be within the spending envelope we agree before the end of this month.

**Gareth Bacon AM:** Yes, of course it will, Mr Mayor, because you have to pay for it. The point that I am trying to get to is that, as you have gone to great lengths yourself to point out, times are hard, finances are being squeezed and there are pressures all over the place. We understand and know all of that and we sympathise with all of it.

The trouble is, Mr Mayor, that the decisions you make around staffing, particularly around staffing increases, would impact on the decisions that you have elsewhere. For the Assembly being asked to approve your budget today, it is not unreasonable in asking what your ballpark figure is likely to come down to. What is it?

**Sadiq Khan (Mayor of London):** It is within the spending envelope.

**Gareth Bacon AM:** We need to understand what the trade-off is there, Mr Mayor. If you are spending money on, let us say, 100 new staff or 120 new staff or whatever the figure happens to be, it means that you cannot spend it on other things. There is a prioritisation exercise that has to take place in any budget to do the budget-setting. We need to know what that figure is. What is it?

**Sadiq Khan (Mayor of London):** I have explained to you the way the timelines work. Again, it is good theatre but it does not really help.

Let me just give you some experience examining the last 17 years. Except for two occasions, there has been an increase in staff over the last 17 years and the reasons are very simple. Over the last 17 years, you have seen the GLA and the Mayor be devolved more powers from central Government and so it is not unreasonable, if, for example, a good new Mayor has secured a record investment from central Government of £3.15 billion to fix the housing crisis, to assume we are going to raise staff in relation to helping us deliver Homes for Londoners. It should not be a surprise that I will do what previous administrations have done, which is, when we get more power, to increase staff.

However, I am determined to make sure that we stick within the spending envelope and so you can be reassured that we are not going to go outside the spending envelope approved this month by us.

**Gareth Bacon AM:** Mr Mayor, as you know, I trust you implicitly and so reassurance is not required. It is not unreasonable, as you have just said, that there may have to be some additional staffing. We all understand and accept that. The problem is when you are continuing programmes that the previous Mayor had that maybe should be cut and you know you might need new resources for other things.

The point is, Mr Mayor, that this has been cloaked in secrecy so far and neither you nor any of the senior officers in this building have been able to confirm or deny the rumours that are repeatedly flowing around that new space is going to be required new offices or Union Street --

**Sadiq Khan (Mayor of London):** You begin most of them, to be fair.

**Gareth Bacon AM:** Pardon me?

**Sadiq Khan (Mayor of London):** There are different figures each time. You begin the rumours. You sometimes say --

**Gareth Bacon AM:** No, Mr Mayor, I do not.

**Sadiq Khan (Mayor of London):** -- it is a dozen new staff and sometimes 100 new staff.

**Gareth Bacon AM:** These numbers have been put to you. They have been put to your Chief of Staff. They have been put to senior officers in this building at budget scrutiny and in here and they have not been denied by anybody and so nobody is any the wiser, Mr Mayor. We need to understand the prioritisation that has taken place over the last few months to put your budget together going forward. Inevitably, if you are going to be putting resources into new staffing, you are going to be taking them from somewhere else. We need some clarity on that, Mr Mayor, and so what is the number?

**Sadiq Khan (Mayor of London):** The GLA and its functional bodies will have the parameters of what they can spend approved by the end of this month. They will then make sure that they do not spend above that. In addition to that, the Chief of Staff and the Head of Paid Service are looking in some detail at what additional staffing requirements we may have, bearing in mind the reviews I have talked about and the three different areas where there are going to be reviews and bearing in mind the Government has rightly devolved more powers to us and more resources to go with that.

**Gareth Bacon AM:** All right. You are either not going to tell me or do not know.

**Sadiq Khan (Mayor of London):** I can answer the seventh question you have asked in a different way, but the reality is this. We are approving the budget before the end of this month. The functional bodies will then know what their spending envelope is. At the same time, the Chief of Staff and the Head of Paid Service are reviewing some of the things we have talked about and we will have more information once they have done that.

**Gareth Bacon AM:** We have established that you are not going to answer that question.

I want to move on and talk to you about the police budget. We support a motion this afternoon, which I expect to be passed unanimously, supporting your call to the Government to adequately fund the Metropolitan Police Service (MPS). We think that that is entirely right and we support you on that.

However, within the terms of this budget, you have chosen to cut the line that would provide for 32,000 police officers by £38 million, which reflects the current warranted police officer number rather than the strategic target of 32,000. Why have you done that at a time when you are negotiating with the Government for fair funding for the MPS?

**Sadiq Khan (Mayor of London):** You and I both know that that is nonsense.

**Gareth Bacon AM:** Really?

**Sadiq Khan (Mayor of London):** Last year [2016], the Mayor, against the advice of the then Home Secretary, somebody called Theresa May [British Prime Minister], rather than increasing the police precept by 1.99%, as he was advised to do, did not just not increase it but cut it. It may have been because it was an election year and we know how that election turned out. As a consequence of his reckless decision to cut the council tax precept on policing, the current Home Secretary, Amber Rudd, wrote to me and said that Londoners would suffer from a cut approaching £18 million because of the failure of the previous Mayor to make the increase of 1.99%. By the way, because of buoyancy in future years, it could have meant that in subsequent years we would have been cut again and again.

I have taken on board the warnings of the current Home Secretary. I have increased the policing precept this year by 1.99%, which is, roughly speaking, 8 pence a week for band D council taxpayers. In addition to that, I have increased money from the council tax buoyancy and from business rates to make sure that we can fund the right number of police officers we need. The average number of officers over the coming year is going to be 31,300 officers, which is more than when your guy was the Mayor of London.

I am quite determined to make sure we keep Londoners safe. That is why I am restoring neighbourhood policing. That is why I am lobbying the Government to give us the appropriate funding for the National and International Capital Cities grant (NICC) that we deserve but also working with the Government to make sure we get the decent funding we need. Your support would be much welcomed.

**Gareth Bacon AM:** Does your budget, which is being approved - or not - today, provide for 32,000 police officers in this financial year?

**Sadiq Khan (Mayor of London):** We still have a strategic target of 32,000 police officers --

**Gareth Bacon AM:** That is not the question I asked you, Mr Mayor. I asked you: does your budget provide for 32,000 police officers in this financial year?

**Sadiq Khan (Mayor of London):** The last time we had 32,000 police officers in London --

**Gareth Bacon AM:** I did not ask you that question, either, Mr Mayor. Does your budget provide for 32,000 police officers this year?

**Sadiq Khan (Mayor of London):** -- was in the Olympic year, 2012, and you and I both know because we have rehearsed this on at least four occasions --

**Gareth Bacon AM:** Yes, we have.

**Sadiq Khan (Mayor of London):** -- at the Budget and Performance Committee --

**Gareth Bacon AM:** Your answers should be better, then.

**Sadiq Khan (Mayor of London):** -- at MQTs and at the last Plenary. It is inconceivable, bearing in mind the turnover of 1,600 to 1,700 police offices a year, bearing in mind the possibility --

**Gareth Bacon AM:** The answer is no?

**Sadiq Khan (Mayor of London):** -- there is going to be a change in the police funding formula going forward, which means we could lose up to £700 million, and bearing in mind police officers cannot be made redundant. It is an academic exercise.

**Gareth Bacon AM:** The answer is no. I think everyone in this room understands that.

Moving on to TfL, Mr Mayor, you have taken the decision to reduce reserves by just under £1.7 billion. You have increased long-term borrowing by 47%. The latter point I think most Members would understand because borrowing is relatively cheap at the moment and borrowing is used to finance infrastructure and there is some merit in that.

However, you have also chosen to take funding away from various key pieces of infrastructure development that were in the previous TfL business plan such as the Sutton tram. Why have you decided to do that?

**Sadiq Khan (Mayor of London):** Another example of you talking nonsense, Assembly Member Bacon --

**Gareth Bacon AM:** The money is in the budget for the Sutton tram?

**Sadiq Khan (Mayor of London):** Let me just remind you of what used to happen every year for the last eight years. TfL, which was good but flabby, would each year come to the previous Mayor - the part-time one - and say, "We have been inefficient and flabby. Can you increase fares by this amount to pay for our flabbiness and inefficiency?" The previous part-time Mayor would agree to that and increase fares by record amounts. Over the last eight years, we saw fares increase by 42% to pay for inefficiencies in TfL.

As a full-time Mayor, I take this seriously. I have said to TfL, "You have to become efficient and provide value for money for Londoners. I am not willing to make Londoners pay for your inefficiencies". We have frozen TfL fares over the next four years and we have made sure TfL becomes far more efficient. For the first time in 17 years, TfL's operating expenditure has gone down rather than up.

That has led me to publish a business plan - not on the back of two sides of paper in the lead-up to an election, but a proper business plan - that sets out how we are going to invest in TfL going forward. By the way, it is the biggest investment in Tube growth and the biggest investment in step-free access, with a doubling of investment dealing with air quality and having a fulltime Walking and Cycling Commissioner to address some of the issues I inherited. All of the investment, whether it is the Piccadilly line, carries on within the same parameters. The Elizabeth line should open in 2018 --

**Gareth Bacon AM:** Mr Mayor, I specifically asked you about the Sutton tram.

**Sadiq Khan (Mayor of London):** All of our plans are there --

**Gareth Bacon AM:** Mr Mayor, would you answer the question about the Sutton tram, please? You are burning through my time here. Why have you removed the funding for the Sutton tram?

**Sadiq Khan (Mayor of London):** We have looked at the March 2006 business plan that you pray in aid. The March 2006 business plan --

**Gareth Bacon AM:** 2006?

**Sadiq Khan (Mayor of London):** 2016. The March 2016 business plan --

**Gareth Bacon AM:** Did you misread his handwriting?

**Sadiq Khan (Mayor of London):** The March 2016 business plan, which was published in haste by the previous Mayor, Boris Johnson, in the space of a short number of days, I am being told, did not include enough funding for the Sutton tram. It was always going to be a partnership and Assembly Member O'Connell --

**Gareth Bacon AM:** It included £100 million. It now includes --

**Sadiq Khan (Mayor of London):** -- has raised this with me before. The money available in the TfL plan - I think it is in the growth budget - is the same if not more than promised by the previous guy.

**Gareth Bacon AM:** Mr Mayor, it is not. I have to correct you there. You have attached more than a dozen projects to that TfL growth plan that you have just referred to and there is a £200 million pot in there. It is not in the business plan at all. It can bid for money to contribute, but there was £100 million assigned to it under your predecessor.

**Sadiq Khan (Mayor of London):** You should be aware that the Sutton tram extension costs more than £200 million. Do you accept that?

**Gareth Bacon AM:** Almost certainly.

**Sadiq Khan (Mayor of London):** It does and --

**Gareth Bacon AM:** There was £100 million assigned to it under your predecessor and is now zero. Do you accept that?

**Sadiq Khan (Mayor of London):** -- it is a partnership between City Hall, Sutton, probably Merton and some others --

**Gareth Bacon AM:** You are not going to be contributing to it?

**Sadiq Khan (Mayor of London):** The good news is that there is more than £200 million in the growth plan. The good news is that, unlike the previous Mayor, I have been to visit the Leader of Sutton. I have been to visit Sutton.

**Gareth Bacon AM:** I am sure they were thrilled.

**Sadiq Khan (Mayor of London):** The Commissioner [of Transport for London] has been there as well with the Deputy Mayor [for Transport]. We are working with Sutton in relation to plans going forward. However, it is misleading to suggest that the previous Mayor had a fully funded plan for the Sutton tram extension. You and I both know that that is not true.

**Gareth Bacon AM:** I did not suggest that, Mr Mayor. I suggested that there was £100 million in TfL's business plan and now there is zero.



**Sadiq Khan (Mayor of London):** You and I both know that the previous Mayor did not fund the Sutton tram extension.

**Gareth Bacon AM:** I said that there was £100 million in the business plan and now there is zero.

**Sadiq Khan (Mayor of London):** You and I both know that there is more than enough money in the growth plan to --

**Gareth Bacon AM:** OK. You are evading that answer as well. In TfL's budget, it is proposing to make £800 million worth of revenue savings by 2020/21. It has given a very high-level indication of £227 million but nothing for the remainder in excess of £500 million. Where is that money coming from?

**Sadiq Khan (Mayor of London):** For the first time in 17 years, the operating expenditure of TfL is going downwards --

**Gareth Bacon AM:** You do not know? That is fine. Mr Chairman, I do not need to hear this answer again because the Mayor has not answered one of the questions that I have asked him.

**David Kurten AM:** Mr Mayor, last time I did ask you about debt and the debt that the whole GLA group has. I was quite alarmed to see that the total debt was about £17 billion, the authorised external limit.

Out of [the United States of] America at the moment, one thing that does concern me is some of the things that the Chair of the [Board of Governors of the] Federal Reserve [System], Janet Yellen, has been saying. She has been indicating quite strongly over the last few weeks that interest rates are going to rise. If they rise in the Federal Reserve in America, interest rates in the Bank of England, the European Central Bank, the Bank of Japan and all over the world are likely to rise.

In your answer to me last time, you said, "Interest rates are low. It is a good time to invest". However, do you have any plan or contingency to cope with a situation where interest rates may rise and the expenditure on your capital financing costs and interest repayments may rise significantly as well?

**Sadiq Khan (Mayor of London):** The way to avoid the concerns that you are expressing, which are reasonable concerns, is that when you take out loans the interest rate is fixed. In my understanding, that is exactly what we are doing.

**David Kurten AM:** That is fine. For the things that you have planned for this year that is OK, but what concerns me is perhaps some of the debt that you are not responsible for because a lot of the debt that the GLA group has was built up over the 16 years before you took office. Some of the debt will be on five-year or ten-year bonds and you will have to roll those over this year.

Do you know how much debt you are going to have to roll over, which was taken out five or ten years ago and which you are not actually responsible for?

**Sadiq Khan (Mayor of London):** I know that West Midlands [Combined Authority] is behind you. That is the sort of concern that local authorities all across the country would share. That is why we use the Chartered Institute of Public Finance and Accountancy's (CIPFA) borrowing guidance. That body's borrowing guidance is live to the concerns you are articulating and all local authorities across the country are live to those concerns to make sure we do not inadvertently take unnecessary risk.

You will know, though, of course, that all of the indications from experts across the world, say from the expert you referred to, are that now is a good time to borrow. I have seen no evidence of us needing to be alarmed or concerned as a consequence, but I am sure that CIPFA and others keep it under review.

**David Kurten AM:** I know you did mention CIPFA to me last time in your answer to me. My concern is that if you, for example, have to roll over £1 billion of debt and the interest rate goes up by 1% and is not budgeted for, you are going to have to pay an extra £10 million in interest on that. The total interest you have over all of the GLA group I have calculated at £618 million. That is about 5% of the total operating budget. If it goes up by £10 million or £20 million, for example, it is not in the calculations that CIPFA may have made.

Have you given any thought to the interest repayments going forward and the possibility that they might increase?

**Sadiq Khan (Mayor of London):** You referred to the last 16 years. I suspect that Martin [Clarke] may have been here for a big period of that.

**Martin Clarke (Executive Director of Resources, GLA):** It is a fixed rate.

**David Kurten AM:** If you have to roll the debt over, would you not have to negotiate a new rate?

**Martin Clarke (Executive Director of Resources, GLA):** Across the group we have been making appropriate provision to repay debt and, therefore, there is no need to roll it over because we cannot afford to repay the principal. We have been very prudent over the whole 17 years. The vast bulk of the debt is fixed and provision has been made each year, in accordance with the legislation, to provide sufficient funds to repay that debt.

**David Kurten AM:** I understand that you do fix the rate of debt for five years or ten years or 15 years on long-term bonds, but I did ask you a specific question which I do not have a specific answer for yet. How much of the debt is going to be rolled over this year by TfL, MOPAC and the GLA, for example? I know that it is going to be only a small amount of the £17 billion total debt, but will be £1 billion or £2 billion? How much debt will be rolled over that you will have to take out new loans on?

If you have a ten-year bond that matures this year, you will have to refinance that and you may have to refinance it on a higher interest rate if the interest rates increase. That could lead to extra expenditure that is not accounted for and so --

**David Bellamy (Mayor's Chief of Staff):** The budget documentation lists the borrowing requirements for the GLA and each functional body in the relevant appendix for that organisation. You can see there how much borrowing is proposed each year.

**David Kurten AM:** Thank you.

**Caroline Pidgeon MBE AM:** Mr Mayor, between your draft and final budgets, there is an additional £27.1 million. When the Commissioner [of Police] has been warning about serious threats to policing around the capital, why have you made the decision not to allocate the majority of this funding to the police?

**Sadiq Khan (Mayor of London):** Which funding?

**Caroline Pidgeon MBE AM:** The additional £27.1 million from the buoyancy in council tax. Why have you decided not to allocate the majority of that to the police?

**Sadiq Khan (Mayor of London):** The police have the funding. Are you talking about 2017/18 or subsequent years?

**Caroline Pidgeon MBE AM:** I am talking about this year.

**Sadiq Khan (Mayor of London):** For 2017/18, the police - as I have said in previous answers - have been given additional funding from a number of sources: from business rates retained, from the buoyancy, from the 1.99% increase in the council tax precept. As far as 2017/18 is concerned, you will have seen the additional amount of funding we have given to the police, roughly speaking, £27.8 million in 2017/18 --

**Caroline Pidgeon MBE AM:** You could have put further money in from this additional buoyancy to really help boost police numbers and you have chosen not to. Why?

**Sadiq Khan (Mayor of London):** Sorry. Buoyancy from where? Do you mean the --

**Caroline Pidgeon MBE AM:** The additional £27.1 million between the draft and final budgets --

**Sadiq Khan (Mayor of London):** We have to be a bit careful because there is one-off money we have received for this year and there is the fact that we need to make sure we can fund the police in recurring years going forward. The easy thing to do is to give somebody a - in inverted commas - 'windfall' for one year, but that then begs the question of what to do in subsequent years. That is why we have made sure we can fund the police in subsequent years, what there is no point in doing when it comes to anything where there is a recurring expenditure.

This is why the question about youth services does not understand that, actually, for youth services, you could start them as a recurring expenditure. The same goes for police numbers. You cannot, when it comes to next year in March, make a police officer redundant because there is no buoyancy next year. What I have done is the sensible thing, which is to make sure we fund the police this year and that will be recurring going forward and, also, to lobby the Government to make sure it funds the police properly recurring year on year.

**Caroline Pidgeon MBE AM:** It is perfectly reasonable to assume growth going forward in terms of the new homes you are building and so you are going to have growth in the council tax base and in terms of business rates. Your vision for the city should see London growing and so you could have the funds to enable the MPS to recruit at least 372 additional officers; yet you are choosing not to and I do not understand why when you are making the case to the Government.

**Sadiq Khan (Mayor of London):** Let me tell you why. You are doing exactly what Assembly Member Bacon does, which is to mislead the public. Look, the sums simply -- Again, it is a Conservative leading a coalition --

**Caroline Pidgeon MBE AM:** Yes, sure!

**Sadiq Khan (Mayor of London):** -- and we saw how the country ended up with that one.

**Tony Arbour AM (Chairman):** There is no need now to mislead.

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

**Caroline Pidgeon MBE AM:** --answer the question.

**Tony Arbour AM (Chairman):** -- the time is up.

**Leonie Cooper AM:** Good morning, Mr Mayor.

**Leonie Cooper AM:** I would like to ask you something about another very difficult area. It is great to have a Labour Mayor in City Hall who is willing to take on these areas: fuel poverty, as you have just mentioned, and air quality, as we have also discussed, but in this case recycling rates. You have already set a very ambitious target to try to get to of 65% recycling. I just wondered if you could tell us how your budget will aim to increase recycling. It is a really difficult area because it is not something that just City Hall is responsible for. It is a borough issue as well.

**Sadiq Khan (Mayor of London):** Thanks for your question. It is worth reminding ourselves that recycling rates have fallen for the past two consecutive years, another legacy of the previous guy. The London Waste and Recycling Board is a partnership between the Mayor and the London boroughs established to improve how Londoners' waste is managed, with a view to increasing the amount we can recycle and reuse to minimise the amount of waste London produces.

I have asked my Deputy Mayor for Environment and Energy to sit on the London Waste and Recycling Board and I am also recommending the appointment of Dr Liz Goodwin OBE to be my representative as Chair. Through the London Waste and Recycling Board and in particular the Resource London programme, I will help boroughs identify the most cost-effective way to significantly increase the municipal waste recycling rates. I will set out the services I expect boroughs to provide in my Environment Strategy as well. I will explore what can be done to increase the amount that businesses recycle, too. It is really important that we address this issue.

**Leonie Cooper AM:** Thank you very much, Mr Mayor. It is a shared effort between City Hall and the boroughs and it is good to hear that Deputy Mayor [for Environment and Energy, Shirley] Rodrigues is going to be sitting on the London Waste and Recycling Board. Increasing recycling is an area that we have touched on before in terms of the circular economy and, at the moment, with the levels of reuse in London, there are a lot of opportunities there. How else will your budget be assisting in moving ahead on that? Is that also going to fall to the Deputy Mayor who has responsibility for business around skills and those sorts of areas?

**Sadiq Khan (Mayor of London):** There are a few parts to that question. Firstly, with respect to the Environment Strategy, it addresses this issue.

Secondly, you are right that it is a partnership between the boroughs and City Hall but, also, businesses have a role to play. I know that you are well attuned to the work we are doing around the Skills for Londoners Taskforce, but we need to make sure that we think about innovation with the business sector about reuse and recycling as well.

The good news is that young Londoners get it far more than our generation did. I say that with respect to our generation. That sort of bottom-up pressure will help as well. Also, the new businesses that are starting get this as well in relation to the need to respect the environment. Bear in mind that we are a population that is rising and, unless we get this right and reuse and recycle, it will be the next generation that will have to address this issue. That is why we have to address this now.

**Leonie Cooper AM:** Thank you, Mr Mayor.

**Fiona Twycross AM:** I wanted to talk a little bit more about Skills for Londoners, which you mentioned in your previous response to Assembly Member Cooper. You may be aware that Timewise and the Learning and Work Institute are working together to develop and test a model for part-time and flexible apprenticeships in London.

Will your Skills for Londoners Taskforce as proposed in the budget have scope to look at a pilot to introduce part-time apprenticeships here at the GLA?

**Sadiq Khan (Mayor of London):** One of the things that your question alludes to is that we have to understand that people have different personal circumstances and a one-size-fits-all approach will not work. If an apprentice wants to work part-time, it is likely that the GLA could accommodate that within the current funding rules because there is provision for apprenticeships to be part-time, the rules say, if there are exceptional circumstances.

Given this, at the moment I do not see a need for the taskforce to look at a pilot scheme, but of course we will keep it under review. If it is the case that we think we need one, we will reconsider.

**Fiona Twycross AM:** Do you think that that phrase, "in exceptional circumstances", might put some people off asking for the flexibility, though? Caring responsibilities are not exceptional and so it would be good if that could be phrased in such a way that made it very clear to people that they can ask for that flexibility.

**Sadiq Khan (Mayor of London):** That is why I have said that we have to keep it under review. With the GLA apprenticeship scheme, we understand that it could put people off if they think it is exceptional circumstances, but you are right that there may be others who may be less willing to do so. As far as the GLA is concerned, I am confident because of our ethos that if somebody wants to be a part-time apprentice, we can accommodate that.

The bigger question is: what about those people who want to be part-time apprentices for others?

**Fiona Twycross AM:** Yes.

**Sadiq Khan (Mayor of London):** I am keeping this under review. At the moment, I have been advised that there is no need to pilot it, but if it is the case that we do or if you have evidence that we do, we are happy to do that.

You are right, by the way. We cannot assume that somebody who would be a part-time apprentice has the confidence to advocate for themselves, "I am an exception". That is why we have to make sure that our ethos encourages people to put themselves forward and also that we make the decision to allow them to be part-time apprentices if need be.

**Fiona Twycross AM:** Thank you. What other ways would you want Skills for Londoners to encourage more women with caring responsibilities, people with physical or mental health disabilities and other vulnerable people such as vulnerable young adults into skilled employment?

**Sadiq Khan (Mayor of London):** Part of it is us talent-spotting and, if somebody notices somebody who is a woman or has caring responsibilities and who could benefit from this, encouraging them to apply; us looking for somebody who may be able to benefit. I am a firm believer in role models and so it is really important that

when have a success story we publicise it and promote it to encourage others to come forward. Do not underestimate the importance of word-of-mouth, but not everybody has a social network. We are going to do what we can to encourage this because there are too many Londoners who are not fulfilling their potential because of lack of opportunities being given to them. We have to find those hard-to-reach people and make sure they benefit.

**Fiona Twycross AM:** Thank you.

**Dr Onkar Sahota AM:** Thank you. Good morning, Mr Mayor. How will your budget help to address the growing concerns of child poverty and the subsequent health inequalities in London?

**Sadiq Khan (Mayor of London):** The manifesto that I fought the last campaign on committed me to monitoring child poverty and ensuring that effective interventions are put in place to alleviate child poverty and to help people who have to rely on foodbanks in order to feed their children.

We have just compiled a comprehensive overview of the various sources of available data that have indications of poverty. This analysis will help me to establish what poverty metrics are most appropriate to track those in London. You will be aware from previous questions asked by Assembly Member Twycross of some of the concerns about the metrics and how we identify poverty and so we are doing that.

Separately, with the economic fairness work we talked about previously, we are considering what more we can do to understand the causes and effects of low pay and poverty and then make the right effective interventions. While I am there, I have made it quite clear to the team here that the GLA will take strategic leadership on child poverty in London by engaging with stakeholders and deprived communities to ensure we know their needs and priorities.

You will be aware of the link between social inequalities and health inequalities. They begin in early childhood. What happens to young children has lifelong impacts on them when they become adults: obesity, heart disease, mental health problems. You will not be surprised to know but others may be that if you are a 10- or 11-year-old Londoner, you are the most likely in the country to be overweight, with childhood obesity closely related to poverty.

My budget includes funding for the development of a health inequalities strategy and for a new programme to support the health of London children in schools and early-years settings.

**Dr Onkar Sahota AM:** Thank you. You will know that the Royal College of Paediatrics [and Child Health] produced a report on the state of the health of children [*State of Child Health Report 2017*] and made several recommendations. Will you please consider those recommendations and lobby the Government when appropriate to do so?

**Sadiq Khan (Mayor of London):** Let me look at them first before I lobby the Government. I may not agree with them. I am sure I will, but let me look at the recommendations and I will make sure that Dr [Tom] Coffey, my Health Advisor, meets with you as well to see if there are any other things you think we should be doing that we are not.

**Dr Onkar Sahota AM:** Thank you very much.

**Andrew Dismore AM:** Given the large number of Londoners who now live abroad and the large number of European Union (EU) nationals who now live in London, what are you doing to ensure that their human rights

are respected by the Government? Will you include in your budget resources to campaign for the fair treatment of EU nationals affected by Brexit? Will you also include respect for EU Londoners' human rights in your forthcoming Brexit paper?

**Sadiq Khan (Mayor of London):** Andrew, I know that you are experienced in this area as a former Chair of the Joint Committee on Human Rights and the work we did together - you did, more importantly - leading this agenda around human rights in Parliament. You will also be aware - others may not be aware - that today is a national day of action to celebrate the contribution of migrants to the United Kingdom (UK).

The Government should secure the rights of EU nationals in the UK and also UK nationals in the EU at an early stage. I believe that the Government should do much more to show EU nationals that they are welcome here and they are welcome to stay here. I will be urging the Government to set out the details of the reciprocal deal it is hoping to strike with the other EU member states, making it clear who would qualify to remain under such a deal and what would be required of them to confirm their immigration status. Once this becomes clear, I will decide what City Hall can do to support EU nationals in London. I am confident that this activity can be funded from existing budgets.

I will also continue to raise these points in my regular meetings with David Davis, the Brexit Secretary [Secretary of State for Exiting the EU], and Amber Rudd, the Home Secretary, and in my response to the Government's White Paper, which I will be publishing soon. This is a dialogue that I want to establish with the Government. It is important that it fully understand how Londoners who are originally from European countries contribute to our community and economy when it comes to the Government making its decisions in relation to EU negotiations.

**Andrew Dismore AM:** Thanks for that positive answer. I am sure you would agree with me that human rights are universal and should be universally respected. You mentioned the Joint Committee on Human Rights, which recently reported, quote:

*"The Government seemed unacceptably reluctant to discuss this issue [of human rights after Brexit]. The Minister [responsible] was unwilling or unable to tell us what the Government saw as the most significant human rights issues that would arise when the UK exits the EU."*

The rights of the people who are here are particularly foremost and the Government is probably acting in breach of Articles 8 and 14 of the European Convention [on Human Rights] towards them, irrespective of what the criteria may be. I am sure you will have seen the increasing and compelling evidence that many EU nationals who have been in the UK for five, ten, or however many years - decades for some - will not currently meet the criteria for permanent residency, for example, because they are parents who had career breaks and did not have private health insurance, which they did not even know they had to take out. This has resulted in really stressful insecurity.

Do you think that these are important issues that you will be pushing with the Government?

**Sadiq Khan (Mayor of London):** I meet on a daily basis, as I am sure you do, Londoners - and they are Londoners, by the way - who are worried, scared, uncertain about their future in their city. It is their city as well. The sooner the Government gives them the certainty the better. You cannot use people as bargaining chips. You just cannot. The Government could be doing more and should be doing more. We will lobby.

I will make this point. There are 8.6 million Londoners. Of the 8.6 million Londoners, 1 million - and they are Londoners, by the way - are Londoners who are originally from EU countries. They contribute hugely to our

city socially, economically and culturally. Some of them never bothered changing their passport from a German, French, Italian or Polish passport to a British one. Their children are born and raised here, they go to our schools, they are quintessentially British and yet they are uncertain about their futures.

My job as the Mayor is to make sure the Government understands that. If the Assembly can help on a cross-party basis, all the better.

**Andrew Dismore AM:** Thank you for that. Could I move on to a different issue now? That is setting the policing priorities at borough level.

Would you agree that it is important to get maximum buy-in to the Police and Crime Plan from local communities and that this means diverting sufficient resources to ensure there are well-advertised meetings in all the boroughs for the public to have their chance to engage with MOPAC and the MPS and to contribute their points of view as to what they think the priorities for their boroughs should be so that it is not just a top-down decision from MOPAC, the local authority leadership and the MPS?

**Sadiq Khan (Mayor of London):** It is really easy to make top-down decisions, but they are usually bad ones and so I am clear in my mind. Although it is easy to set another seven crime types in London, I want to make sure that boroughs have their local priorities addressed rather than a one-size-fits-all approach for London. Neighbourhood policing is flexible and adaptable by nature and these teams will lead on local priorities.

I will also include London-wide high-harm crimes that are mandatory for all areas: sexual offences, domestic abuse, child sexual exploitation and gun and knife crime. That is because these crimes are complex and important for all of us and they require specialist teams. There are budgetary savings to be made by restricting the Borough Command Units and the back office, but these will not be affected by crime priorities and is where the real savings will be made, freeing up the capacity to deliver local borough priorities for London.

**Andrew Dismore AM:** Thanks for that answer. It is important that we recognise that where there are merged boroughs, they can have separate or different priorities. You mentioned neighbourhood-level priorities as well, but I am particularly concerned about ensuring that the public are involved at the borough level.

I know that the Deputy Mayor [for Policing and Crime] has been having meetings with borough leaders and local Borough Commanders, but the real question is how local people are going to be able to feed into that. I am very pleased that Sophie [Linden, Deputy Mayor for Policing and Crime] is having a meeting tonight in Camden to which people have been invited, but it was relatively short notice and the publicity could have been rather broader.

Are we going to see meetings like this in all of the boroughs so that everyone gets a fair crack of the whip in contributing?

**Sadiq Khan (Mayor of London):** That is the idea. The Deputy Mayor, Sophie Linden, is getting around with the relevant senior police officer, Martin Hewitt [QPM, Assistant Commissioner, MPS], as well. They are trying to get across London. It is a big city, as you know.

**Andrew Dismore AM:** Thank you.

**Sian Berry AM:** I just wanted to ask very quickly for a bit of clarification on the £250,000 for the community-led housing hub that you talked about in your introduction. It was not in your press release today, but I know



that boroughs will find this very good news. It is probably going to help them access the second half of the Government's £2.3 million Community Housing Fund allocated to London.

Is this new money? Is this within the £1 million community-led housing budget line that you have or is this maybe new money coming out of the new capital programme reserve, as our amendment proposes? I am very happy for you to say it was entirely your idea as long as you do it, but is it new money or not?

**Sadiq Khan (Mayor of London):** To be fair, it was Tom's [Copley AM] idea. The GLA budget within the Homes for Londoners programme contains provision for £250,000 of revenue funding towards the establishing and running of a community-led housing hub over a three-year period. I have the terms of reference, which I am happy to send to you rather than take your time.

**Sian Berry AM:** Is that within the £1 million budget line that is on page 47 of your budget or page 81 of your budget now?

**Sadiq Khan (Mayor of London):** Whilst they check that, you can ask me another question. It will save your time.

**Tony Arbour AM (Chairman):** Thanks very much.

**Keith Prince AM:** Good morning, Mr Mayor. Can I ask you, Mr Mayor? I know that last time I asked you this question you looked a bit like a rabbit in headlights and you denied all knowledge about your fake promise to reduce bus fares in the first year. I do not know if you have now had time to look at your website, which is [www.sadiq.london/transport](http://www.sadiq.london/transport), your election website. Can you tell the people of London why there is no budget proposal to cut bus fares, as you promised on your website, in the first year?

**Sadiq Khan (Mayor of London):** I was quite clear in my manifesto that if I was elected Mayor of London - and I have the huge privilege of being the Mayor of London - I would freeze TfL fares for four years and I have frozen TfL fares for four years, which means many Londoners will benefit, including your constituents. In addition --

**Keith Prince AM:** The answer is, Mr Mayor, that you have no intention of cutting bus fares. That is correct, is it not?

**Sadiq Khan (Mayor of London):** In addition to that, I have introduced the --

**Keith Prince AM:** Thank you. That is fine. No, Mr Mayor, I do not want to waste my time or your time --

**Sadiq Khan (Mayor of London):** You can answer your own questions in your bedroom. You do not have to come to City Hall for that. Just look in the mirror --

**Keith Prince AM:** What you have to understand is, Mr Mayor, although this is theatre, it is not a comedy programme and in no way are you any kind of comedian.

It is very clear, then, Mr Mayor - and I am surprised that you have not accused your predecessor, Boris [Johnson MP], of having hacked your website to put it on there - on your campaign website that you would be reducing fares on buses for the first year. I have asked you the question twice and twice you have avoided answering the question. It is very clear to the people of London, Mr Mayor, that they cannot believe a word

that you say or print when you are a candidate. It is just more fake promises from a very weak Mayor. Thank you, Mr Mayor.

**Tony Arbour AM (Chairman):** It is up to you to decide whether this is stand-up or not, Mr Mayor. Let us assume --

**Sadiq Khan (Mayor of London):** The important point is, for those students watching, that is not how you ask a question.

**Andrew Boff AM:** Mr Mayor, have you had meetings with the board of the OPDC?

**Sadiq Khan (Mayor of London):** I cannot remember. No.

**Andrew Boff AM:** No? Are you aware of the comments of some of the independent members of the OPDC? One independent board member says:

*"... a 40% cut ... [leaves] the corporation with very little opportunity to advance ... its key objectives."*

Another says:

*"We cannot perform as an effective development corporation without this minimum amount of work [being funded by the original budget]."*

Another refers to the scale of the cuts meaning that they cannot effectively carry on their work.

**Sadiq Khan (Mayor of London):** What are the dates of the --

**Andrew Boff AM:** It is not a question yet. Do you accept, Mr Mayor, that perhaps you have made a mistake in cutting back from the revised budget that was allocated to the OPDC?

**Sadiq Khan (Mayor of London):** What are the dates of those comments?

**Andrew Boff AM:** Those were in December [2016]. Those were post the £1 million of contingency but before your less-than-generous second £1 million of contingency.

**Sadiq Khan (Mayor of London):** I just do not know why you are asking the question when you are about two months out of date.

I accepted and I gave credit to Assembly Member Bacon and his [Budget and Performance] Committee for the thorough way they asked these questions of me at the Committee hearing [10 January 2017]. We had a robust discussion and I was struck by the comments made in a constructive way. I considered the comments made in particular by Assembly Member Bacon and came back with a change in my budget. He put to me and he prayed in aid the comments of the Chief Executive, who gave evidence to the Committee. One of the reasons for the Chairman of that Committee, Assembly Member Bacon, being so concerned was the Chief Executive was saying she was concerned.

The good news is that since your out-of-date comments were reported to you, the Chief Executive has written and said:

*“The additional contingency [that is the one I gave] will future-proof the future delivery of the whole site [end quote].”*

**Andrew Boff AM:** Subsequent to the £2 million, of course, the National Housing Federation reckoned that it will affect the quantity of development on the Old Oak Common site. Indeed, you will be familiar with those quotes from the Housing Committee because I understand that your team wanted the transcript from that Committee in order to find out what they said. Is your interest in housing expressed in this £2 million cut to the budget of the OPDC?

**Sadiq Khan (Mayor of London):** The good news is that, unlike previously, the OPDC will work closely with the new Homes for Londoners. My expert team is bringing together housing, planning, funding and land powers to ensure effective and efficient delivery of thousands of new homes and jobs. I have also written to the Transport Secretary in relation to what was a bad deal done by the previous Mayor to make sure that we get a better deal going forward. I am confident that the additional monies I have given to the OPDC as a consequence of the points made by the Budget and Performance Committee and the Chairman in particular will lead to the Chief Executive, as she said in her letter, being happy with that result.

Listen, we have to make the most of this piece of land. Some of it is short term; some of it is long term --

**Tony Arbour AM (Chairman):** All right. I am sure we will make the most of this piece of land.

**Len Duvall AM:** Mr Mayor, I was waiting a long time for Assembly Member Prince to say it, but there were also further savings for the people who travel on buses through your introduction of the Hopper fare. Is that correct?

**Sadiq Khan (Mayor of London):** That is correct. Millions of Londoners are benefiting from the Hopper fare. It is two-for-one within an hour and you can change your bus.

**Len Duvall AM:** Do you think that the credibility of the questioner would have been more if he had said, “I have also asked the Government to do its part in freezing the fares that it is responsible for”, rather than asking you to subsidise the national Government for its part of the bargaining with people who travel on public transport?

**Sadiq Khan (Mayor of London):** I always admire the *hutzpah* of those guys because, whilst I have managed to freeze TfL fares for the next four years, by the way, their guy increased them by 42.7%. The Government and the private train operating companies are not willing to freeze their fares, which means Travelcards and the daily cap have not been frozen, as I have managed to do.

The obvious question is: if I can freeze TfL fares and bring down operating costs, why can't the Government and these private train operating companies? Whose side are they on: on the side of the private companies making huge profits and ripping off commuters and letting them down on a daily basis or on the side of Londoners? Keith Prince's constituents think that I am doing a great job and they are probably thankful for the TfL fares freeze, for the Hopper fare and for the Night Tube. It is a shame that Keith Prince is not.

**Len Duvall AM:** Mr Mayor, can we turn to another subject, you said earlier on that one of your budgets is going to contribute to the cultural industries, which is quite important in terms of the economy of London. Can you paint some more pictures of what that money is going to be spent on in this coming budget?

**Sadiq Khan (Mayor of London):** Firstly, thanks for your question on that issue. London is the cultural capital of the world. Not only is it richly rewarding for many of us, but it also brings huge benefits to our city economically. One out six jobs in London is in the cultural and creative industries. One out of eight jobs is in the night-time economy. It is really important that we invest in this and in the pipelines going forward. By the way, fixing the housing crisis and making transport cheaper helps with the cultural sector as well. We have to think about the pipeline going forward.

As some examples of the work we are doing, the excellent Barking and Dagenham Council is working with me to have a feasibility study into London's first film studio for 20 years. We will get a report back in April [2017]. We are doing work around a Creative Land Trust. One of the big issues is that artists go to an area because the accommodation is cheap, they have studios there, the area is regenerated and they are then priced out. We are looking at some of the best ideas. San Francisco has managed to make sure that artists stay in an area. The Creative Land Trust report should come back soon. We are also working with the Skills for Londoners Taskforce to see if we can train up today's youngsters to have the skills and talents for tomorrow.

This Sunday, of course, is Oscars night and we have the UK premiere of *The Salesman* with Oscar-winning director Asghar Farhadi, whose film is also nominated for an Oscar this year, in Trafalgar Square. This will show the world that London is open and we are the cultural capital of the world.

**Len Duvall AM:** If I can go back to an earlier question and an answer to Assembly Member Pidgeon, in terms of the stability of police funding and the importance of the Government's announcement and the formula issues, am I right in thinking that in terms of what you have tried to do with this budget, it was to try to keep it stable for any knocks that we may have in the future? Of course, we are all supportive of trying to get a better deal out of the Government, but can you just go back? You mentioned rightly - and it needs to be - the one-off funding and one-off issues. We had a mini-policing budget during your election period, Mr Mayor, and we were told that that was going to save policing forever. It lasted only so far. Can you just elaborate further on that?

**Sadiq Khan (Mayor of London):** It is a really important question, as you will know from your experience on the Metropolitan Police Authority, going forward, Len. Look, what you cannot afford to do when it comes to the policing budget is to play party politics with this and it is an obvious temptation to use the buoyancy for one year.

You will be aware of a number of issues. Number one: as far as the police funding formula, the Government wants to change that. The expert analysed the figures last year. If the funding formula changed, London would lose between £170 million and £700 million going forward. On top of that, there is the NICC money. We get, roughly speaking, £170 million versus the money we spend, £380 million. On top of that the previous Mayor in election year cut the precept for the council tax and the current Home Secretary said we are being punished because of that.

In those circumstances, if you were to have a one-off payment for one year for the police, the consequence of that could be that in subsequent years you will have to freeze police recruitment. I have not frozen that and we are still taking on new recruits. By the way, it is really important for a number of reasons. One is the annual churn of 1,600 to 1,700 officers a year who retire. Also, we have to make our police service more diverse. We need more women and more black and Asian minority ethnic police officers serving our city. We cannot stop police recruitment going forward. That is why my plans this year are the sensible ones. You could make a cheap point if you are a Conservative Assembly Member, but it means that the average number of police officers this year in London is 31,300, higher than the average under the previous Mayor.

I will make this point again, which is a really important point. The only time the previous Mayor had more than 32,000 officers was when there was a Labour Government in 2008/09 and 2009/10 or in 2010/11 when it was a Labour Government giving the contribution or in Olympic year. Since Olympic year, 2012, we have fewer than 32,000 officers every year. It is good for a Conservative leaflet and it is 140 characters and so fits a Conservative tweet, but it does not recognise the complex needs of funding policing in London.

**Florence Eshalomi AM:** Good morning, Mr Mayor. One of the things that I wanted to highlight - and I am not sure if my colleagues have touched on it this morning - is congestion in London and some of the traffic. I am sure you have seen our report from the Transport Committee, *London Stalling*.

One of the things I wanted to ask is: in looking at that and the fact that there are more cars on the road - and I will confess that I am a driver in London - and in terms of some of the charges on the road, do you think that we do need to look at a new model for road pricing?

**Sadiq Khan (Mayor of London):** Can I just say something important about the confession you made about driving? If you look at the numbers using road space, 20% is delivery vehicles - internet buying - and 12% of road space is private minicabs. What we have to be very careful of is that as we move private drivers off the road because of better public transport and walking and cycling plans to get them other alternatives, the space is not filled up by more and more private minicabs or delivery vans or vehicles. That is why we need a holistic and comprehensive plan, which is what we intend to do.

Thank you for your question. What we are going to do is we are going to cut congestion and we are going to improve road reliability. Last year I published the first phase of that, which was a plan with specific measures to tackle congestion in London, things like dealing with unplanned incidents and the efficiency of the road network, communicating better and collaborating better with local authorities.

On top of that, we are looking at how we can reduce the number of light goods delivery vehicles. We have a separate Taxi and Private Hire Action Plan to deal with the issue of private minicabs. By the way, I do not have the powers to cap the number of private minicabs. I am lobbying the Government to give me those powers, but I do not have those powers. The Transport Strategy that Val Shawcross [Valerie Shawcross CBE, Deputy Mayor for Transport] is working on will address some of those issues.

The reason why I have appointed London's first ever fulltime Walking and Cycling Commissioner, Will Norman, is to address some of the issues going forward. He has a budget, which is £2.1 billion, in the business plan to address the issue of healthy streets. It is a really big issue that we are going to come back to again and again.

**Florence Eshalomi AM:** That is really good. You did touch on the delivery vans. Maybe all of us in this Chamber have been guilty of ordering something via Amazon or online ordering for next-day delivery --

**Sadiq Khan (Mayor of London):** Can I tell you something? There is nothing wrong with that. The issue is that many of us work such long hours and internet buying is now here. The issue is how we can make it environmentally friendlier and use less congestion space. One of the things that Val [Shawcross] is looking at is what other cities do in a sensible way and so we can learn from them.

**Florence Eshalomi AM:** On that specific measure, do you have any specific plans? Again, we have seen an 11% increase in some of the delivery van traffic in London. Do you have any specific plans ---

**Sadiq Khan (Mayor of London):** Yes. One of the things we are looking at - and Val Shawcross can give you more detail because it is at an early stage yet - is whether we could have mini consolidation centres. The vehicles that you are concerned about could go to the consolidation centres and they could have other ways, more environmentally friendly ways with less road space use, to get those parcels from the mini consolidation centres to places of work or people's homes. It is not just a central London issue. It is also an outer London issue. Consolidation centres for deliveries is one way forward. We are exploring all options. Nothing is off the table.

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

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

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