

**London Assembly (Plenary) – 25 January 2012**

**Draft Consolidated Budget 2012-13 – Transcript of Statement from the Mayor**

**Boris Johnson (Mayor of London):** Good morning everybody and I am delighted that everybody can participate in the upcoming debate.

This administration has been devoted to delivering value for Londoners' money, and to leading the city to a strong economic recovery. You must remember that in the last four years we have not only been dealing with the deepest recession for 50 years; we have had to overturn and reform a culture of waste in City Hall. I might mention the £37,000 spent on first class tickets to Havana and the £10,000 spent on a subscription to the *Morning Star*, but these were just symptoms of a regime that would casually spend £34 million on architects' drawings and consultancy for a west London tram that had no chance of happening and a regime that was happy to squander tens, if not hundreds of millions on London Development Agency (LDA) projects, some of which, frankly, verged on the dodgy.

We have delivered sound finance to London government, with a 25% reduction in managers at Transport for London (TfL), which now has 3,500 fewer staff and which will have vacated 23 buildings by March this year.

We have secured £2 billion worth of savings already, and those savings would, frankly, have been unthinkable under the previous administration. This budget delivers a further £1.5 billion worth of savings. It is those savings that have allowed us to concentrate scarcer resources on the priorities of Londoners. We promised a 24 hour Freedom Pass, we delivered it and we will protect it.

We promised a booze ban on public transport. We delivered it and, with the help of hundreds of extra crime fighters, we have made the Tube network the safest in Europe and brought down bus crime by 30%.

We scrapped the vindictive proposal for a £25 charge on family cars, and I kept my promise to Londoners and listened to what they had to say about the Western Extension Zone of the Congestion Charge.

We promised the best bike hire scheme in the world, and of course it has been so successful that there are now demands from other areas for it to be extended across London.

We did not rage pointlessly at the train operating companies. We persuaded them, through negotiation, to take Oyster on the overground, with the result that millions of Londoners not only have that convenience but cheaper Oyster fares. It is under this administration that the East London line was completed - on time and on budget - and it was this administration that drove forward the second phase to Clapham Junction to finish London's first orbital railway.

This was the first administration to introduce a roadworks permit scheme, which now has 27 of the 33 boroughs signed up and the rest shortly to come on board. This is now beginning to control roadworks with the numbers down a quarter on the Transport for London Road Network (TLRN) from their peak and this year we will secure from Government lane rental, a formidable new weapon against those who unnecessarily delay traffic by digging up the roads.

This budget builds on our success in securing, in spite of the toughest spending round for generations, funding to deliver in full Crossrail and the Tube upgrades. When we arrived in City Hall we found a public transport system that was creaking from decades of under-investment and neglect and it was obvious that the Public Private Partnership (PPP) contracts were not only failing to deliver the upgrades but they were wasting hundreds of millions of pounds. It was this administration that ended that madness and will allow us to ensure that Londoners not only save hundreds of millions of pounds but also that we deliver the upgrades on time and on budget and in a way that suits the needs of the London travelling public.

We all know that TfL staff are dealing with antiquated assets and when their 1920s signal box goes wrong in Edgware Road that can disrupt 250,000 journeys. We have hole punch signalling technology at Earl's Court. We have 40% of the Tube's rolling stock past its expected lifespan. If these upgrades did not happen those assets would so deteriorate that we could face a 30% reduction in capacity as opposed to a 30% increase.

Londoners are entitled to ask when they are offered the choice of a £1.2 billion cut in investment in London transport what exactly it is proposed to cut? That is the question I think people will want the answer to. Could it be the Bank Station congestion relief work; or the upgrades on the Bakerloo or the Piccadilly lines; or perhaps it is the sub-surface lines; or the congestion relief works at Victoria, Tottenham Court Road or Bond Street stations? Which is it? Is it cutting the Safer Transport Teams on the bus network that have been so instrumental in bringing down crime?

I know that these arguments will be heard over and over again and I understand the politics of it. All I will say is that promises to freeze or to cut fares have been made at least twice before and they have been broken both times. I do not think Londoners want to fall for a fares swindle again.

Turning to the Metropolitan Police Service (MPS) budget. It is the first priority of the Mayor to keep Londoners safe and I believe there is a high degree of consensus in this room that we should keep police numbers high. That is why I am rebalancing the precept towards the police to maintain those numbers. I understand that in this election season there are politically motivated, and, frankly, false claims, made about police cuts. I want to repeat; there will be around 1,000 more fully warranted officers on the streets of London at the end of this Mayoral term than there were when I was elected. If you take that together with the doubling - the *doubling* - of the number of Specials from 2,500 to more than 5,000 and single patrolling, that has meant that we have been able to achieve one million - one million - more visible police patrols at the end of this term than there were at the beginning. One million more per year.

All of this has meant that the overall reduction in crime has so far been more than 10%. Youth violence, which is such a priority for everybody in this room, is down more than 15%. Robberies over this Mayoral term are down about 18%. I am proud of that record and the achievements of the Metropolitan Police Service. We remember the era when no one seemed to care about the loss of young lives to knife crime and I think it is right that Operation Blunt 2 has taken 11,000 knives off the streets and Time for Action has had, I believe, and is starting to have, a genuine effect. The number of violent deaths suffered by teenagers in this city has more or less been halved.

I want to repeat that under this Mayoralty there will be no cuts in the police and we will keep police numbers at a safe level. I believe, and I have said many times in this horseshoe, that safe level is around 32,000 or more.

Safer Neighbourhood Teams are sacrosanct to me and they will retain their structure of at least two police constables and three policy community support officers (PCSOs), overseen by a sergeant.

I would like to pay tribute to everybody on the Metropolitan Police Authority (MPA) who has worked hard on the budgets to make this possible, particularly of course to Kit Malthouse [Deputy Mayor for Policing and Crime], who is now allowed to take part in the deliberation thanks to the wise chairmanship of Jennette [Arnold], and I believe that in difficult times the MPA has delivered an excellent budget for London.

The London Fire and Emergency Planning Authority (LFEPA) has had real success over the last four years working with the community, increasing the number of home safety visits by 80% and halving the incidents of arson. Last year, we saw some of the busiest nights in the Fire Brigade's recent history and I want to pay particular tribute to all London's firefighters for managing that situation with their usual professionalism and remarkable bravery. The London Fire Brigade has been an exemplar of the public service doing more for less and making sensible investment to deliver long term savings. In this budget we are using the £4.469 million in earmarked reserves to buy out outdated terms and conditions, which will save about £1.3 million every year thereafter. I want to make it absolutely clear that, under this Mayoralty, there will be absolutely no reduction in fire cover and we will continue to make London a safer city from fire.

The last year has seen the LDA and the Homes and Communities Agency (HCA) successfully integrated into the GLA. This budget cements that by ensuring the full delivery of all their programmes

We promised that we would deliver 50,000 affordable homes - the most of any single Mayoral term. In spite of the tough economic times that we are in that promise will be fulfilled and those homes will be delivered. During the next investment round, over 2011 to 2015, we will deliver a record-breaking 55,000 affordable homes, which will not only house Londoners workers but also, the construction of those homes, will create 100,000 jobs.

Our apprenticeships programme has succeeded well beyond our expectations, surpassing original targets, with 40,000 already underway. This budget gives us the means to deliver a target of 100,000 apprenticeships in London by the end of this year.

It allows us to complete the delivery of £216 million to regenerate the capital from the Regeneration and Outer London Funds and the Growing Places Fund. Together, they are giving, I think, our high streets a significant boost. Some traders in Orpington and Bromley report a noticeable increase in footfall and sales following investment from round one of the Outer London Fund and I know that we all look forward to round two, which will see 23 projects across 18 boroughs.

This budget allows these investments without any extra borrowing - again showing this administration's careful stewardship of the public finances. Unlike the mistakes of the previous Labour Government it will not burden future generations with debt.

Finally, this budget delivers, through the new Mayoral Development Corporation, a true legacy for the Olympic and the Paralympic Games, on time and on budget. There will be 10,000 new homes - 40% of them family sized - and 10,000 permanent jobs, in addition to those already created by Westfield and other regenerated parts of east London. We are carrying forward a £30 million programme of investment in grass roots sport - with more to come - to deliver a sporting and health legacy for London from the Olympics, for old Londoners and of course for younger Londoners as well. I want to thank Kate Hoey [Commissioner for Sport] and everybody in the GLA Sport Team for what they have done.

This is a budget that delivers on this administration's achievements over the last 45 months. It delivers on the promises I made four years ago and it promises to grow London's economy. This city has a fantastic future. We are in the right time zone, we speak the right language and, unlike virtually any other city in Western Europe, we have a young, dynamic and growing population, but that population needs investment if it is to compete. We need new river crossings, we need to extend and improve the Tube network and we need to continue to improve reliability and to end the scandal of overcrowding on a scale that would not be tolerated for the carriage of livestock.

We have a choice. We could go for a short term swindle that will cut more than £1 billion from our investments and which would simply drive fares even higher in the future, or we can keep going with our programme of driving down crime, investing in transport, and growing the London economy. We can go back to the politics of waste and division or we can get on with the work of improving the lives of Londoners. Chair, I want to get on with that work and I commend this budget to the Assembly.