London Assembly Budget and Performance Committee — Tuesday 23 November 2021

Transcript of Agenda Item 5 – 2022-23 GLA Group Budget

Susan Hall AM (Chairman): We now move on to our main item of business, which is a discussion on the draft Greater London Authority (GLA) mayoral budget for 2022/23. I would like to welcome our guests, Mary Harpley, who is our Chief Officer; David Bellamy, the Mayor's Chief of Staff; Richard Watts, the Mayor's Deputy Chief of Staff; David Gallie, Executive Director of Resources of the GLA; Niran Mothada, Executive Director of Strategy and Communications; Sarah Mulley, Executive Director of Communities and Skills; Philip Graham, Executive Director of Good Growth; and of course Rickardo Hyatt, Executive Director of Housing and Land. Good morning, everyone. Thank you for coming. It is good to have everybody here in person. It is the first time in a long time.

I will start off with the questions and I will start off with David Gallie please. What are the key factors driving the uncertainty over the council tax and business rates income?

David Gallie (Executive Director of Resources, Greater London Authority): Good morning, Chairman. Thank you for your question. The key areas of uncertainty still rest with decisions from the Government around the business rates regime for next year. We expect the provisional settlement in December, which hopefully will add some more certainty to where we are. The key uncertainties rest around where the Government sits on the business rates review. There were some statements from the Chancellor in his spending review around that. However, that remains an overhanging issue for London.

To go down to some more detail, on business rates the key things for us are to await the Government decisions on the tariff that the GLA will pay across to the rest of the country, and in particular also the levy we might have to pay on growth in business rates.

On the council tax there is some more certainty there in terms of decisions that the Government made in the spending review. The Government announced the referendum limits for the police and non-police precepts. The Government announced a £10 band D maximum increase for police and the Mayor will make his decision on that in due course. For the non-police element there was a 2% increase that was allowed for. That 2% assumption was obviously the one that we had made in our central scenario in our budget.

Therefore, we expect the provisional settlement to give some more clarity. As I have said to the Committee before, it is only until the boroughs submit their returns on business rates and council tax at the end of January and we analyse those in early February, that the Mayor will have a full and final position of the resources we will have available for the next financial year.

Susan Hall AM (Chairman): Has this changed at all from last year? Are you looking at the same things as you looked at last year, the uncertainty?

David Gallie (Executive Director of Resources, Greater London Authority): Yes. As we discussed before, we face endemic uncertainty until the Government issues their provisional settlement and also the boroughs submit their returns. That is structurally the problem we have where it is not until February that we have final numbers. As you know, Chairman, we are required to have a statutory process that sets out consultation with you and with London around the Mayor's budget. The difficulty we have is our numbers are

clearly still uncertain. We have made the best estimates we can. The Mayor has set out that we should plan on the basis of our central scenario. Of course that must await the decisions that I have set out.
Susan Hall AM (Chairman): OK. You touched on it; the Treasury published a report on its review of business rates last month. Does that review have any implications for our expected receipts?

David Gallie (Executive Director of Resources, Greater London Authority): It is marginal. The big issue is that the business rates system is heavily criticised, particularly by business, in the way that at the moment it disadvantages businesses that are not on a warehouse model. It disadvantages retail and central London in particular. The fear that we have is that, until there is a reform of that basis, then London in particular will be disadvantaged by that. The pressure remains on the Government to fundamentally reform business rates. The difficulty is that the quantum of business rates that is raised is absolutely huge to the Exchequer, and it is finding an alternative income source that could potentially substitute for a more radical reform of business rates. That is why, to a large extent, the Government have made only marginal suggestions for changing the regime.

Susan Hall AM (Chairman): OK. I could not find any link to that in the draft budget to that particular review. I could not find it in there. How did the outcome of the spending review impact the budget assumptions for 2022/23?

David Gallie (Executive Director of Resources, Greater London Authority): By and large, because of the uncertainty, there is nothing that was material in the spending review announcements that needed us to change the core assumptions. As I said earlier, the things that we need to come on to are the Mayor's decisions on council tax, where there were decisions the Government made that allow us to go forward on some assumptions. The Mayor will make that decision on the council tax levels in due course.

Susan Hall AM (Chairman): You talk about assumptions. What are the specific assumptions that underpin the budgeted level of income for council tax and business rates? How robust do you think those assumptions are?

David Gallie (Executive Director of Resources, Greater London Authority): The core assumption we have made is that our income will go up by essentially 2% for next year from the level in this year. That is based upon a premise the Mayor made back in the summer but does seem to be confirmed by the Government assumptions that they have made that every Government department will have a real terms increase in its resources.

The problem for the GLA is that, although that is reassuring news, better news than we anticipated, for all our client Government departments, the issue is particularly for the Department for Levelling Up, because of the pressures on adult social care, the assumption we need to make is that the bulk of that real-terms increase will go to local authorities with social care responsibilities and not the GLA. Therefore, although we can take some comfort from the assumptions the Government made in the spending review, which can by and large confirm our assumption of a 2% increase for next year, again we obviously need to await decisions that will come from the Government in December.

Susan Hall AM (Chairman): Do you think your assumption, your small assumption relatively, is an indication of the Mayor's confidence in London's recovery?

David Gallie (Executive Director of Resources, Greater London Authority): Yes. A key priority for the Mayor is to generate London’s recovery. There are also steps that I am sure we will talk about in more detail later on around how that is taking place and the steps that are being taken. The business rates assumptions that we have made are essentially positive ones compared with the previous years. Therefore, we expect that recovery to take place. Clearly things are still fragile. We still have a long way to go. We are obviously not through a pandemic yet. There is still uncertainty that could knock those assumptions aside. That is why in the budget we have also set out some indications about negative and positive scenarios if things were not to be as we have assumed in our central scenario.

Susan Hall AM (Chairman): I am trying to really assume what it is that is driving the level of concern. I am wondering what it is, what factors would lead you to assume a similar level of income to a year that - let us face it - nearly a third of it the country was in lockdown in one form or another.

David Gallie (Executive Director of Resources, Greater London Authority): It goes back to what I said earlier, Chairman, the key things for us are what the Government determine as our tariff and our levy. That will come from the provisional settlement. Those are the two really big unknowns at the moment, which potentially could skew resources, both positive and negative, to London. If the Government were to enforce a harsher view of levelling up and look to redistribute some of that income we have in London to the rest of the country, through increasing our tariff or increasing our levy, then that will reduce down our level of business rates resources. That is really the key level of uncertainty that we have. Clearly, we would hope the Government will maintain a regime that allows London to have the business rates we have had in previous years in line with our assumptions. Obviously we must await.

Susan Hall AM (Chairman): How would you expect the GLA core budget to be adjusted if the expected receipts end up being more generous than anticipated? What would you do in terms of spending? What would you add in?

David Gallie (Executive Director of Resources, Greater London Authority): I wonder whether the Chief of Staff or Deputy Chief of Staff might want to answer that question?

Richard Watts (Mayor's Deputy Chief of Staff): I am happy to take that if that is helpful. This is my fourth time in front of a Committee talking about this now. We have always been very clear this was always going to be a pretty provisional budget because of the levels of uncertainty involved. We have tried to budget relatively prudently, as I am sure the Committee would want us to do in these set of circumstances. It is fair to say this is a pretty tough budget round. There are a number of quite difficult decisions we made in forming that because of the prudent assumptions that have gone into it. Effectively, if there is more money available - and we all hope that is the case - we look to put more money into the Mayor's key priorities around Green New Deal, a new deal for young people and some of the recovery work.

Susan Hall AM (Chairman): We would rather you were realistic than prudent at times because every year it is very, very wrong, is it not? Then every year we get caught out in the final budget with loads more money going in places that none of us had any sight of. What level of drawdown are you anticipating for the billing authority repayment reserve, Mr Gallie?

David Gallie (Executive Director of Resources, Greater London Authority): We are assuming ultimately that reserve we created will be fully repaid to the boroughs. There is obviously a lot of detailed accounting work that we need to go through, borough accounts need to be finalised. The Government also needs to finalise some of the aspects of the regime. In principle that income is an income that we return to the boroughs because, as you recall, Chairman, they paid on the basis of the budget that they sent, which was one before the pandemic. Therefore, it is essentially a reimbursement of income that the boroughs have already paid to us, which ultimately needs to be accrued to them.

Susan Hall AM (Chairman): OK. When will this be utilised?

David Gallie (Executive Director of Resources, Greater London Authority): The return to the boroughs will be made in due course based upon their returns and the Government clarifying the final regime. We would anticipate those reserves will be paid on account, up front, and also, we will finalise those accounts in due course.

Susan Hall AM (Chairman): In due course, OK. I will hand over now to Assembly Member Garratt.

Neil Garratt AM: A question for you, David Gallie, if I may. Just thinking about inflation, what assumption you have made about inflation and what impact has that had on the 2022/23 budget?

David Gallie (Executive Director of Resources, Greater London Authority): One of the big assumptions we have made on inflation is that the Government set a multiplier for business rates to be increased, as I am sure you know. The issue is that the Government in the past have said the multiplier should not apply to businesses, as they have done in the regime we are expecting. That will be substituted by grant. Therefore, if that were not to be the case, that would obviously have a severe implication. However, we received from the Government a commitment that there will not be that shortfall between the multiplier being frozen and the grant coming forward.

To turn to inflation, clearly inflation is over 4%, it is predicted to go to 5%, way above the Government's 2% target. We made some provision in the budget overall for a pay award of 2%. That is obviously subject to negotiation with our unions. Clearly that is potentially a real terms cut for staff compared with where inflation might be. By and large, on our non-salaries costs, we have kept those fixed in cash terms as a means of keeping within the resources that we have.

Neil Garratt AM: Thank you very much. That is good. David Bellamy, if I could ask you, picking up partly on what Assembly Member Hall was just asking about. When we think about different levels of business rates or council tax income that we may receive, if the amount that we receive is not the amount that we are expecting, how do you make provision for effectively thinking about what would be added or taken out of the budget based on the amount that we get versus what you might be expecting?

David Bellamy (Mayor's Chief of Staff): The thing to remember is that every year there is a degree of uncertainty about the amount of money that is received from council tax and business rates. The money that is received is, in the end, a forecast from the billing authorities, and therefore there is always a process in subsequent years where the forecast is updated and ultimately becomes an audited financial statement, and the final position where there is an adjustment made in terms of how much is transferred to us in subsequent years, as David Gallie was explaining. There always is that process. What we are dealing with in-year and the uncertainty that we have set out means that the question is, how do we react to new information as it becomes available?

The first question is, will we receive the provisional settlement in time to reflect them in the group consultation budget that we publish before Christmas? We would hope to. The Hudson review recommended to the Government they publish around about 5 December. They have tended to publish much later than that in recent years, often just as the House was rising for Christmas, and that has not left us time to reflect any material changes in the consultation budget. It is a case of picking that up in the draft budget in January. Ultimately we only get the final position in terms of billing authority returns end of January/start of February. What that means is the Mayor can take his decisions on allocations to each organisation, and then necessarily the detail of that will be worked through before they set their final budgets in March. That is the essence of the process.

Clearly the considerations will be around both the needs of the GLA and other organisations to meet their core statutory duties, but also to drive London's recovery from the impact of COVID-19.

Neil Garratt AM: Perhaps I expressed my question poorly. What I was thinking about was, given the uncertainty that you just described, and a known uncertainty not to deviate into murky language in that front, but we know that there is a certain amount of uncertainty. We do not know exactly how much it will be. Do you think of it in terms of a jigsaw with different pieces of if it comes in here then this is what the budget looks like; if we end up with £100 million more, £300 million more, these are the pieces that will be on the bench to come in? Or do you just at that point start from scratch, goodness me, how would we spend another £100 million?

David Bellamy (Mayor's Chief of Staff): It is clearly a difficult process because there are many dimensions, not least the draft budget before you this morning for the GLA was effectively locked in at some point in October when the Mayor took the final decisions in order that then the documentation could be prepared for publication. Clearly there can be a lot of events between then and the end of the budget process that we need to take account of. Also, this is not just the GLA and their budget in isolation. Decisions and events occur affecting the functional bodies and our funding allocations overall impact things. Therefore, it is very hard to say.

In previous years, when we have been in the fortunate position of receiving more money than we anticipated when we got those billing authority reserves, and it is worth remembering that about a 1% change in our share of business rates is equivalent to about £32 million. Very small deviations can have a very material impact. In previous years, when we had more certainty about Government settlements, we have been able to prepare and say, "OK, what are the high-level areas we want to make an allocation to?" For example, Green New Deal, Young Londoners Fund, scrappage scheme, things like that. Then the detail of the specific allocations can be worked through over time to ensure that we get best value from those investments.

That same situation persists now. Clearly, there are a lot of uncertainties around the budgets of various functional bodies at the moment, which play into assessing that position at the moment. Also, there is more uncertainty and more downside risk than we have had in a number of previous years.

Neil Garratt AM: Has the Mayor given you any steer on, if the amount that comes in is more than we are expecting, what his priorities would be for the extra funds?

David Bellamy (Mayor's Chief of Staff): The Mayor is clear on the areas that he is really prioritising, which are around London's safety, opportunities for young people, the Green New Deal, housing and the recovery of London's economy. Those would be areas we would look at.

Neil Garratt AM: Is that not everything though? You have just said his priorities are clear, but then you listed everything that he does.

David Bellamy (Mayor's Chief of Staff): I do not believe that was everything he does at all.

Neil Garratt AM: I am trying to think what he does that would not be covered by your list. Perhaps you could help me. Transport for London (TfL) was not on the list.

Richard Watts (Mayor's Deputy Chief of Staff): He has set out the Mayor's five priorities from the beginning of this, and very happy to have had that dialogue on and off in this Committee over the last couple of months. The Mayor's five key priorities have been pretty clearly articulated.

David Gallie (Executive Director of Resources, Greater London Authority): If I can assist with the Assembly Member's question. It is fair to say that, if there were extra money, there is a degree to which some of the resources would be effectively hypothecated to parts of the group. For instance, if we had a large increase in business rates, we would pass those sums proportionately to TfL's. TfL have about 83% of business rates now. Similarly, on council tax. If the council tax base were higher than we have assumed, then there is a presumption that the council tax earmarked for the Metropolitan Police Service (MPS) would go to the MPS. There is a degree to which some of the resources would find a natural home. Clearly it is subject to discretionary decisions by the Mayor.

Neil Garratt AM: I was going to ask you next, David Gallie, about the issue that has arisen over the last few years with the business rates upturn. I am new on the Committee, but I found it quite surprising that when David Bellamy was describing uncertainty, but to my mind there is a difference between uncertainty and bias. Uncertainty, you have a range of possible outcomes and you are trying to land somewhere within it. If you are constantly hitting the same side of the target, in this case over the last five years something like £170 million a year on average we underestimate what our business rates income will be, to me that suggests that our process is not trying to hit an uncertain target and just missing randomly. It is consistently missing in the same direction. Is there a way that we can try to improve that so that we do not get this constant late surprise of a different amount, more money than we thought, which then has not been scrutinised through the normal budget process?

David Gallie (Executive Director of Resources, Greater London Authority): It is obviously a very difficult judgement, as we described, the uncertainty is endemic. As part of what we have done in this year's budget, the assumption broadly that we are looking for a 2% increase in our overall level of business rates and council tax, feels to me to be trying to err on the side of getting that balance better than we have done in earlier years. As David said earlier, a 3% change in business rates and council tax is £100 million without even blinking. The scale of small changes impacting is very large. Naturally, you would want me to advise you around being prudent. I can think of nothing worse than coming to a situation in the budget where we have to make late and difficult cuts at the end of the process, rather than being able to hopefully make the best estimates we can, albeit in the past we have perhaps erred a little bit on the side of caution.

Neil Garratt AM: I mean you are right that it is better to be cautious than cavalier. The issue that I would highlight, and I am just looking at the figures here, last year it was £183 million that appeared late on. The year before that was £143 million. The year before that £229 million. They are quite large sums of money. What it means though, in one sense you are correct that it is about being cautious, about not putting in a whole lot of assumptions, which turn to evaporate, and the money is not there. On the other hand though, if budget items get added late on, then they are not able to be scrutinised through this process. Another way of looking at it would be it is a convenient way for people to sneak things into the budget last minute without too much scrutiny, which is not quite so prudent.

My question is, have you changed the process for this year or for future years in terms of trying to hit the target more accurately. I accept the point about uncertainty, but if we are always missing the target in the same direction, if we are always hitting low, do we not need to aim up a bit?

David Gallie (Executive Director of Resources, Greater London Authority): As I said, assuming a 2% increase is quite a positive move given the endemic uncertainty that we have described. I would hope that we had got that judgement a bit better. Going back to the process we have, there is a fundamental problem with the scrutiny process we have that is set out in statute. As we do not know the numbers until February, and yet your statutory process really has to conclude before then, is a bit the wrong way around, to be frank. There is probably some work we can do with you around thinking is there a scrutiny process that would work better scrutinising the Mayor's final budget agreed in February, rather than us necessarily having to go through the statutory process, as we have to do over the next few months. There is some dialogue that would be helpful to have around trying to make our process more functional and assisting your work.

David Bellamy (Mayor's Chief of Staff): Just to add to that, as the Assembly Member and some colleagues are new, it is worth noting that the purpose of the February plenary is in setting the final council tax allocations and is to set out, as we do very clearly, what the different allocations are compared to the draft budget that the Assembly considers in January. Therefore, that absolutely is the forum for that. However, it is recognised, if the Committee wants to get into detail, that can only happen after the final budget has been set, which I know in the past sometimes happens in April. We have tried hard to ensure that is always done in March before the start of the new financial year. That necessarily follows on from the council tax setting at the end of February.

Neil Garratt AM: That is very useful. We might take you up on that offer. That is a fair point about the difficulty of the timing.

Léonie Cooper AM: Could I just come in very briefly? I wondered if I could ask David Gallie about the United Kingdom (UK) Shared Prosperity Fund, which I understand is the fund that is being established to replace the many funding streams that until recently we have received from Europe. I will not rehearse what they all are. Do we know yet whether that is going to be replacing those funding streams with the same amount of money? There has been a lot of discussion about levelling up and levelling down and London potentially missing out because we are not in the north and all this sort of thing. I am hoping we are all going to be levelling up, including London. I just wonder if you could give us an update on that Shared Prosperity Fund?

David Gallie (Executive Director of Resources, Greater London Authority): I will ask Phil to answer that one.

Philip Graham (Executive Director of Good Growth, Greater London Authority): Yes, no problem at all. The short answer to your question, do we know how it will be allocated, is no. We have had a bit more clarity through the Comprehensive Spending Review process in that the Government has now set out the overall pot for the UK Shared Prosperity Fund over the coming years. Over the three years of the spending review period, as the European funds fall away, that ramps up to £1.5 billion a year in the final year of that. Therefore, we have a sense of the overall UK pot for it. How that will be allocated between regions, either in terms of what amount of money each different region will get, but equally how it will be allocated. In the sense of will it be held centrally, and you would have to bid into it or would it be allocated, as the European funds have been, to London to administer itself. We do not know.

I would say however the signs are not great. The precursor fund that was put in place called the UK Community Renewal Fund, which the Government did announce the allocations for shortly after the Comprehensive Spending Review was published, that was a £200 million fund and we received only a very small proportion of that, about 2% of it. That was very centrally administered. The GLA collated bids from the boroughs but the decisions in terms of which bids were funded were taken by central Government. Therefore, we need to continue to make the case that London should receive its fair share, given the level of deprivation we know there is in London, but also London should be able to administer it to respond to our own priorities, remains very strong.

Léonie Cooper AM: Thank you. Obviously, I would agree with that. Not everywhere is Belgravia or Knightsbridge, there are places where there is distinct poverty. Therefore, I would hope that the overall way in which the Shared Prosperity Fund is sliced up does give London its fair share. That is money that we obviously deserve for those particular communities in need. However, at the moment you cannot give me that answer, therefore we will come back to it.

Susan Hall AM (Chairman): Briefly on this section, Assembly Member Hirani.

Krupesh Hirani AM: Just a quick follow-up based on what Philip mentioned. The working assumption in the budget is that the level of funding from the UK Shared Prosperity Fund will continue at the current levels in the final quarter of 2023/24 and 2024/25. Given what you have said and how other funds have worked that would replace European funds from the Government, is this prudent?

Philip Graham (Executive Director of Good Growth, Greater London Authority): It is the only assumption we can make at this stage, particularly given that there is still a significant period of time before those funds start to taper and fall away. Clearly, alongside that, we are thinking about what the potential scenarios are for how that money might be allocated, and how we might respond to that. At this stage, to immediately move to a set of assumptions about something that is so uncertain, when we have time to engage with Government about what their plans are and we have time to think that through, feels to me premature.

Susan Hall AM (Chairman): Thank you. Assembly Member Russell.

Caroline Russell AM (Deputy Chair): Very briefly, you said just now that you do not know how the Prosperity Fund will be divided up. Do you know when you are going to find out?

Philip Graham (Executive Director of Good Growth, Greater London Authority): I wish I did. The Government has been promising this for some time. The plan to put in place the UK Shared Prosperity Fund was first announced in 2016, if I remember, and we are still waiting for those details to be made clear. We expected more in the spending review in terms of detail than turned out to be the case. However, we are continuing to talk to our colleagues in the Department for Levelling Up, Housing and Communities (DLUHC), to try to get a better sense of when further information might be made available.

Caroline Russell AM (Deputy Chair): Thank you. Is it possible that it will not be available in time for this budget round?

Philip Graham (Executive Director of Good Growth, Greater London Authority): For this budget, it is entirely possible I am afraid. As I said to Assembly Member Hirani, it does not run out next week, the European funds that we currently have continue over the course for about 50% of this budget period. There are challenges around, therefore there is time to plan and to engage, but it is entirely possible that by the time we get to the final budget it still may not be clear.

Susan Hall AM (Chairman): Thank you. To finish off on this section, just to go back to Assembly Member Garratt's points, the draft budgets over the last years have been tens of millions of pounds out, and therefore that does not lend itself to good scrutiny. We have found this time and time again. Let us take a look this year and see what happens, but if we are in the same position again we really do have to be looking at something different. You cannot always rely on new Assembly Members being here not to know that this has gone on and on for years. We will take a look at that and see how we end up in February and March.

We are now moving on to recovery missions. That is going to be led by Assembly Member Hirani.

Krupesh Hirani AM: Just to start the first question with David Bellamy. What are the key metrics that you are using to demonstrate the impact of the recovery missions?

David Bellamy (Mayor's Chief of Staff): Richard is Chair of the Recovery Taskforce.

Richard Watts (Mayor's Deputy Chief of Staff): In truth, the key metrics are set out in the quarterly performance dashboards that come to the Assembly, which looks across each recovery dashboard, the relevant Executive Directors (ED) in each area can talk you through those I am sure. Ultimately, the core test comes back to the central mission of all of our recovery work, which is getting London back on its feet as quickly as possible. As the situation with the recovery changes, and we try to keep up-to-date with what is happening out there in the real world, we have to remain agile, and therefore some of the priorities for that work change to a degree. The truth is what we know the pandemic exposed was deep structural inequalities and unfairnesses across our city. Some of the underlying work to address those deep unfairnesses and inequalities carries on.

Krupesh Hirani AM: Just looking at the budget, the funding for the recovery programme falls significantly in 2023/24 before ending altogether in 2024/25. Does that represent the expected end of the London Recovery Board?

Richard Watts (Mayor's Deputy Chief of Staff): That is the current plan. In truth what the Recovery Board has done is point towards ways of governing our city that are quite positive. As an Assembly Member with a significant heritage in the boroughs yourself, you will perhaps recognise this. The relationships the Recovery Board has prompted between the mayoralty, the boroughs, civil society, business groups and others, has been incredibly positive. I would be very loathe to lose that way of working.

David Bellamy (Mayor's Chief of Staff): Just to add to that, it has been a new much-improved way of working with boroughs and other partners. The budget reflects the fact that we have borough elections coming up in May and we will want to get through the other side of that, get a bit more experience of the recovery programme, and then maybe start talking to colleagues who are elected from London councils about evolution over time and what direction that will go in. It is a relatively small sum in the scheme of things, and we are committed to the partnership working with London councils and others. We are open-minded about the best way to do it at this stage.

Krupesh Hirani AM: Quite a few of the programmes, significant programmes, from the Mayor of London, such as London Borough of Culture, Green New Deal, Young Londoners Fund, are all at risk in terms of future funding and funding identified in future years. There seems to be a lot of funding identified from reserves rather than from revenue. You have heard the Mayor talk significantly about TfL and sounding the alarm for London's transport. Do we also need to be sounding the alarm for other mainstream projects from City Hall?

David Bellamy (Mayor's Chief of Staff): Assembly Member, you have picked out some good examples there. They are all things that have been funded by the Mayor through years when we have had better-than-expected principally business rate outturns, as the Committee was talking about earlier. We have always been clear that these were things and levels of expenditure that we could not accommodate within our core budgets, and we needed that extra boost from the London economy to do that.

We discussed earlier the situation with business rates. It is very unclear whether the Government's changes to the system, whether that is business rate resets, whether that is tariff levels, whether that is the percentage of retention that is allowed, are going to give the Mayor that level of extra revenue, even if the London economy really recovers and performs strongly. We really do not know. Yes, that absolutely is a problem. That is why we have, as you look through the areas, a range of initiatives to work with partners, whether that is building on the success of London community response in terms of how that has helped support young Londoners during the pandemic, or whether that is our work to try to bring more private finance into tackling the climate emergency. There is a recognition there that, even with the better-than-expected revenues we have had in previous years, the Mayor has not had the scale of resourcing to address the challenge singlehandedly. Again, it is that partnership approach to try to solve that.

Richard Watts (Mayor's Deputy Chief of Staff): What I would say in addition to that is all of the areas you have just identified there are priorities for the Mayor if future funding becomes available from some of the mechanisms we have already talked about at some depth in this Committee. However, for all of them, a lot of work is going on to identify successor arrangements. For example - and maybe we should talk about this more - we talk about the New Deal for Young People, which has been an enormously successful programme, and the Young Londoners Fund has been something the Mayor is incredibly proud of. We are now working with a coalition of funders around some sort of succession arrangements for all of that. We do not know the shape that those take yet, but we have signed a joint partnership statement with London Funders and the other key funders in London, in order to try to make sure that there are succession arrangements baked into all of these programmes, even if we are no longer able to fund them directly out of mayoral resources.

It is a point I have made to you previously; given the Mayor's core budget in the GLA is quite small compared to mainstream borough budgets and some of the other budgets that key funders have out there, the question for us all the way through this is how we are using what the Mayor spends here in order to shape best practice, bring together learning, bring together coalitions of activity across our borough. If the Mayor's core budget is around £150 million, we are not going to change the city with that. What we can do is bring together coalitions of action that can change the city collectively.

Krupesh Hirani AM: Maybe there are some links to Assembly Member Garratt's question here because is there a danger that you have raised expectations in that programmes like London Borough of Culture, by the end of the Mayor's terms, he would have had four Boroughs of Culture. The Young Londoners Fund, there is a mayoral manifesto commitment to increase spending and support in this area. At what point do you then start to match some of the issues that Assembly Member Garratt raised on funds that tend to be conservative in terms of the income that is coming in? What is now considered as core spending, if not by the GLA in terms of budget purposes, but by members of the public who will expect some programmes like the Young Londoners Fund to continue going year on year?

Richard Watts (Mayor's Deputy Chief of Staff): I hear that. Clearly there are risks around that. It is worth saying that in all of this, in terms of managing expectations, we are currently budgeting to meet all stated commitments. If we take London Borough of Culture as an example, already they have been enormously successful, including the one in your former borough. We have budgeted for more, there is Lewisham next year and Croydon the year after that. The investment for all of those programmes is secure. What we are potentially not doing is launching a third round for new boroughs to bid fresh. Therefore there is a significant difference. We are effectively not launching new expectations against delivering on the existing expectations you have already set.

However, you are right. The Young Londoners Fund, for example, has been one of the biggest sources of state funding for youthwork in our city, if not the biggest state funding for youthwork in our city. It has made an enormous difference and we are rightly very proud of it. Therefore clearly getting the successor arrangements right is critical to make sure that level of investment carries on, possibly though from a wider range of sources than just the GLA.

Krupesh Hirani AM: How has expenditure been prioritised across the different recovery missions?

Richard Watts (Mayor's Deputy Chief of Staff): Essentially in line with the Mayor's priorities as we have set out. In truth also, to put a bit of flesh on the bones of that answer, as the recovery has developed, we have learned more about the facts on the ground. To give you one example of that, we know that high street footfall and high street spend in areas outside the Central Activities Zone (CAZ) is now back to or even above pre-pandemic levels. That has happened relatively organically and we really welcome that. The question is more, when you think about the core of the economic recovery, what is happening in the CAZ and in some west London aviation-based communities.

Krupesh Hirani AM: Just in terms of the missions and the foundations, how are you prioritising expenditure between the missions and the foundations?

Richard Watts (Mayor's Deputy Chief of Staff): Broadly in line with the plans that we set out last year. One of the things we possibly did not get the opportunity to say by way of introduction is that this budget is very much a continuity budget from last year, with the addition of some of the Mayor's new manifesto commitments. Therefore the prioritisation between the missions is really a continuity from last year.

Krupesh Hirani AM: A question for David Gallie, looking at the level of reserves we have remaining after 2024/25, does this fall in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) best practice?

David Gallie (Executive Director of Resources, Greater London Authority): I believe it does. The issues, as we have explained, are that we have had a one-off series of income from business rates, which have then led to the programmes that we have described, which, unless those resources rematerialize in some form, will have to be curtailed. For me the issue is ensuring we have sufficient reserves, not only within the GLA to cope with our ongoing level of commitments, excluding those one-offs that will need to end, but also across the whole group, ensuring that we have a sufficient business rates reserve if the assumptions we make on business rates prove to be less favourable. There are two dimensions for me, a groupwide one and a GLA one.

Krupesh Hirani AM: Moving on to the adult education budget and Sarah, how will the adult education budget support the delivery of each of these recovery missions? I would just like to name them as they are on the list I have in front of me: helping Londoners into good work; new deal for young people; mental health and wellbeing; healthy place, healthy weight; and building stronger communities missions. All quite significant given London's recovery and the impact that the pandemic has had on Londoners.

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): The Adult Education Budget (AEB) is a huge part of London's recovery and in GLA terms it is one of the largest revenue budgets that we have available to us. It is worth saying that the AEB plays a really important role in London's economic recovery. We know that the AEB is a really powerful tool, for example, for supporting Londoners who have become unemployed or who are in low-wage employment or insecure employment, to help them move into good work. That is obviously a really key element of recovery.

It is also important to say that we know that adult education is also really important for some of the wider social outcomes that we are talking about in the recovery programmes. For example, we know that engaging in adult education can have really positive impacts on people's health and their wellbeing. For example, we have seen an increase in social prescribing into the adult education system, which is a real recognition of some of those connections. Similarly, you mentioned the building strong communities mission. Again we know that adult education is a place where people build relationships, where they meet other people from their communities. For some people, if we think about Londoners for whom English is not a first language, having access to English for Speakers of Other Languages (ESOL) is an incredibly important enabler for them to engage in their communities.

What we have tried to do in the budget document is give a sense of how the AEB relates to the different recovery missions. Necessarily, of course, any methodology for doing that tends to oversimplify those outcomes that I have just talked about because in practice a learner participating in an AEB-funded course might well be having economic, social and health benefits for that individual or for their community. What we have tried to set out in the document is at least an initial methodology of trying to attribute how the AEB contributes to different missions. To give an example relatively straightforwardly, on the New Deal for Young People mission, we have split out the courses and qualifications taken by learners aged 19 to 23 to give a proxy measure of the contribution that the AEB makes to that mission. Similarly, if we think about the Digital Access for All mission, we have split out qualifications that directly relate to digital and to technology. It is an imperfect split, but we hope it is helpful in illustrating, exactly as you have said in your question, how wide the contribution of the AEB is and can be to the London Recovery.

Susan Hall AM (Chairman): Thank you. Continuing with the AEB, Assembly Member Fortune.

Peter Fortune AM: Thank you very much, Chair, and to continue with what my colleague, Assembly Member Hirani, was talking about, compliments on the haircut by the way, ten years younger. Looking at those key five missions around Helping Londoners into Good Work, A New Deal for Young People, Mental Health and Wellbeing, Healthy Place, Healthy Weight and Building Strong Communities, for initial bang for our buck what are the key deliverables that we can expect in 2022/23?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): Yes. I should say as well that, in fact, similar to the situation that Phil was describing, there is some uncertainty - less uncertainty than in other areas - about the AEB numbers. The numbers that we have put in here at the moment are indicative and are based on the current academic year's budget because we will not have the final funding confirmed until January [2022]. It is just worth saying that.

Maybe to take Helping Londoners into Good Work first, it is really important to say that we have been trying to use the flexibilities and the freedoms that are provided through the delegation arrangements to increase people's entitlements. For example, the Mayor has increased entitlements for people who are on low incomes, and people who are earning less than the London Living Wage can now access more fully funded provision than they could previously. Trying to change some of those rules about entitlements helps to make sure that the resources are targeted at the people who have been most significantly affected by the pandemic.

We are also trying to look creatively about how we provide incentives through the AEB. To give an example, in the Mayor's Academies Programme we are looking at how we test job outcome payments, rewarding and incentivising providers. That is by looking at the employment outcomes of people who take their courses and trying to make sure that we have got the right partnerships through the Academies Programme to mean that the qualifications and the courses that are provided are meeting the needs of employers.

On the health missions, which you have mentioned, there are two main ways that the AEB is contributing there. One is through providing Londoners with access to skills, qualifications and courses that relate to the health and care sectors. We know that the availability of a skilled workforce in those sectors is a real concern at the moment in health and care and making sure that the AEB is meeting demand there is part of it. Then, as I have mentioned as well, we know that particularly for some groups of Londoners, access to adult education is a really important contribution to their health and wellbeing. The other thing that we have included in the numbers that you see attributed to those missions in the budget is adult education that is provided to people for example, those who have long-term health conditions and for whom accessing the labour market or just their general wellbeing might be benefitted by adult education.

I might just say a word if I can about the Green New Deal and the AEB. We know that there is a real challenge in building the skills that we need for the future of the green economy. This is one area where the methodology that we have used is a little bit imperfect because increasingly the skills that we need for the green economy are mainstreamed into lots of different qualifications, for example, around construction. We are doing some further work on that and we have commissioned some research to look at how we can increase the demand for the green skills, which we know we will need for the future. That is an example of an area where, although the numbers that you will see in the budget document look quite modest on that Green New Deal, we are trying to work really proactively to use the AEB to incentivise employers and learners.

Peter Fortune AM: I know my colleague is going to come on to the Green [New] Deal later so I do not want to tread on any toes because I will get in trouble.

The question was really about key deliverables for 2022/23. I think what you are saying is there are lots of projects that are starting up and some of it is going to be dependent on budget, but these are programmes in their initial stages. Reading through the Draft Budget report, there is lots of really commendable work, but it is a very sort of broad-brush explanation of what it is going to do, and a lot of it looks like it is aiming for the 2024/25 date in terms of completion, which is of course after the current Mayor's term. With what is set out in the Paper, it is going to be difficult to measure that within the next couple of years. Can you focus in on some key deliverables, key things we can measure? I am mindful of Richard [Watts] looking at me because we have had the conversation about Goodhart's Law before and I am mindful of that. What can we expect in terms of value for money and how do we know it is working? I was looking at the Healthy Place, Healthy Weight description in the Draft Budget and it talks about "all ... families" finding it easier to get healthy food. "All ... families" is a very broad sort of measure. All people can send me a Valentine's Day card, but very few do. It is true. How do we measure that it is working?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): Can I clarify whether you want me to speak specifically about the AEB contribution or about those missions more generally?

Peter Fortune AM: If we stick to the AEB, which are the five that my colleague highlighted, because the Green [New] Deal is going to be picked up later.

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): On the AEB in relation to the Healthy Place, Healthy Weight mission, which you have identified, as I say, at the moment what we have included in here is some quite broad-brush allocations around making sure that the AEB is contributing to the health and care sectors. The direct link with that mission in terms of deliverables of projects from the AEB is difficult to draw. What there is in the GLA-funded elements of that mission is specific funding to take that mission. For example, we have increased the funding allocation for school Superzones, which are about trying to make sure that in the immediate environments around school there is a partnership-based and broad-based approach to making sure that children are operating in healthy environments. That is about healthy food, but it is also about active travel, it is about some of the work that colleagues are doing around air pollution, there are all kinds of things that are brought together in that and that would be a specific example. It is worth saying that we have been doing a lot of work with partners on the Healthy Place, Healthy Weight mission in particular over recent months, and Assembly Members will understand that health partners in particular have been very stretched over the last 12 months. We are doing some more work with partners on that mission in particular, but the thing I would highlight from this budget for that mission in particular is the increased spending on school Superzones.

Peter Fortune AM: Would that suggest that there is a suite of documents that are measuring specific outcomes that are being delivered to the Mayor and can be delivered to this Committee for each of those issues?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): As has already been said, we have set out a range of measures of both outcomes and more immediate outputs in the regularly quarterly monitoring reports.

Particularly on these health missions, we are further developing those quarterly monitoring reports every quarter as more work comes on stream and that is the place to bring together the different outcomes for the different missions.

Peter Fortune AM: We can find those documents for each of those missions?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): Absolutely, yes.

Peter Fortune AM: That is great. Are there any particular ones that the Mayor has asked you to focus on and that he has asked for specific feedback on?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): As has already been said, I think, the Mayor has some very clear priorities. In my area, I would highlight the New Deal for Young People mission where, as has already been discussed, it is a very high priority for the Mayor. We are also as part of that mission working in partnership with colleagues in the boroughs and across London's youth sector to try to make sure that we are having the level of impact at the city level that we want to have, given the challenges that young people have faced during the pandemic. I can talk further about the successor arrangements, for example, around the Young Londoners Fund (YLF) and the Collaborative Fund that people have already mentioned if that would be helpful.

Peter Fortune AM: The New Deal for Young People is the one that leaped out on me on this in that each young person in London would have the opportunity for a personal mentor by 2024.

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): Yes. The work that we are doing is focused in particular on young Londoners who are facing the most vulnerability or disadvantage. That is trying to make sure that young Londoners, for example, who might be vulnerable to becoming victims or perpetrators of crime and young Londoners who maybe are not in mainstream schooling are able to access, as you say, a mentor. I would say that we are defining "mentor" quite broadly. Really, at the core of this it is about having trusted adult relationships and we know that that is absolutely at the heart of what good youth work is. This is where, as colleagues have already said, we are working in partnership now with other funders to try to make sure that we can bring together resources from the GLA and other public sector organisations but also from philanthropic organisations, hopefully from the private sector to support that work on a partnership basis across the city. Those conversations have been really positive. The partnership working which we did during the pandemic, in particular through the London Community Response Fund, has really helped to build those relationships. It has given people an insight into a new way of working in partnership, which allows us to pool resources and to work more collaboratively as funders so that, for example in this case, youth organisations are able to deal with us together as a group, rather than having to deal with 5 or 6 or 10 or 15 different funders. That is a really positive development and we are really optimistic about the impact that can have.

Peter Fortune AM: Thank you. I know my colleague is going to pick up on that as well, but the broad definition of "mentor" is something we might look at again later.

Very quickly, can you talk to me about the Building Strong Communities budget allocation because that has dropped quite considerably? What was the reasoning for that?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): It is mostly in line with what we planned last year, and you are right that there has been a change in budget between 2021/22 and 2023/24. That mostly reflects changes, I believe, related to the Sport Unites Programme, which is the largest, or one of the largest elements of GLA funding within that mission. What this budget does confirm is that we will continue with the Sport Unites work into future years with a particular focus on young people. Basically, as the first phase of that work is winding down and then the second phase is building up, there is a bit of a peak and then it will settle into a new, steady state after that and that is as planned last year's budget.

Peter Fortune AM: OK. I will have a look back in last year's budget then. It is Sport Unites?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): Sport Unites, I think, is the biggest driver of that change, yes.

Peter Fortune AM: OK, thank you. Thanks, Sarah. If I turn quickly to Rickardo, looking at the Robust Safety Net, there is an extra £24.5 million coming from Government to support some of the rough sleeping initiatives over the 2021/22 period. Can you talk us through what we can expect to see in 2022/23?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Yes. In 2022/23, we have planned to retain a similar level of GLA investment at around £12 million, particularly into rough sleeping and commissioned services.

Peter Fortune AM: How much, sorry? How much did you say?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Sorry, a similar level to 2021/22 at just over £12 million of GLA allocation into commissioned services. We are in ongoing dialogue with Government about future funding. However, we have over the last few months had confirmation from Government about funding via the Rough Sleeper Accommodation Programme, running through to 2024, which is good news. Whilst it is really important that we have provisions in place to support people off the street, our key priority is then to get them into more permanent or longer term accommodation and having that throughput and the ability to find those long-term solutions is really important.

Peter Fortune AM: It sounds a bit to me like the figures around this are more concrete than maybe some of the other elements. Is that fair to say?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Yes, I think that is fair to say.

Peter Fortune AM: OK. Again, my favourite topic, can you talk me through what are the key deliverables and what are the key elements of success that you are going to measure next financial year, and then what you want to see, perhaps by the end of this Mayor's current term?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): As we have had for a number of years now, we strive to ensure that at least 85% of those rough sleepers, whom we help off the streets, do not return. Broadly speaking, all of our wraparound support and the support that we offer is not just there to identify housing options but to also provide specific support for those who are impacted by other challenges. That is a key metric, and we strive to ensure that at least 85% of those whom we help through our services do not return to the streets. In addition to that and going back to the Rough Sleeper Accommodation Programme, we have agreed with Government through two rounds of funding up to 2024 to deliver roughly 1,600 units or homes, longer term homes for rough sleepers. That is essentially a target that we have agreed with Government.

Peter Fortune AM: Having a quick focus on that 85%, that is 85% of rough sleepers who are supported do not spend a second night outside, right?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Yes.

Peter Fortune AM: When do you want to hit that target, and what is the current percentage?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): It is a rolling target and it is not stagnant at any point. I know colleagues have referred to it, but in the quarterly dashboards that Assembly Members receive you will be able to track our progress on an ongoing basis in that report. It is not as though we say we have set a target to do this by a particular point. It is a rolling target.

Peter Fortune AM: You want to hit 100% obviously.

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Yes, obviously.

Peter Fortune AM: What is the current percentage? Where are we now to get to that rolling target of 85%?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): I cannot remember off the top of --

David Bellamy (Mayor's Chief of Staff): 93%.

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Thank you, David.

David Bellamy (Mayor's Chief of Staff): I have got it printed, no problem.

Peter Fortune AM: At the moment, 93% of rough sleepers are not spending a second night out?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Yes.

Peter Fortune AM: And we want to reduce that to 85%?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): No, we do not want to reduce that to 85%. We want to get to 100%.

Peter Fortune AM: OK.

Richard Watts (Mayor's Deputy Chief of Staff): See, that is the law of targets that we have discussed, Peter.

Peter Fortune AM: Well, what is the purpose of setting it at 85% then?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): As I say, it is a longstanding target, and it recognises historically some of the challenges that we have had with really complicated cases of clients. I am aware of initiatives that have been running since the early 1990s to get people who are entrenched and have been on the streets for 30 years or so to leave, but those initiatives are still running. As I said, it is a long running target and we believe that 85%, challenging though it is, is a target that we can achieve. As David [Bellamy] has outlined, that we are tracking above at the moment, but a lot of this depends on --

Peter Fortune AM: Reset a more challenging target, 95%.

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): As I say, the target is 100%, but it is a long running target.

Peter Fortune AM: OK, all right.

Richard Watts (Mayor's Deputy Chief of Staff): Forgive me, Chair, because I am going to say something nice about the Government. I think the --

Susan Hall AM (Chairman): No, do. It will make a change.

Richard Watts (Mayor's Deputy Chief of Staff): I think some of the emergency response to homelessness we have seen during the pandemic is genuinely commendable from the Government, from local authorities and from strategic authorities like the GLA. That has pointed a way towards a much, much more successful way of keeping people off the streets for longer and the extra investment in longer stay accommodation, and the work that is being put in around supporting people off the streets and keeping people of the streets has been an enormous success. It is a citywide story to be told by the GLA, which was supported by Government funding and boroughs of all political stripes as well. In light of that new way of doing things that we found during the pandemic, albeit at a higher cost than previous services were, we can look again at how we judge success in this area, albeit that the 85% target, I think, was fair given how we traditionally ran services in this country.

Peter Fortune AM: It is something we can look to stretch, but I am probably pushing up against time. Chair.

Susan Hall AM (Chairman): We are now starting with A New Deal for Young People with Assembly Member Russell.

Caroline Russell AM (Deputy Chair): Sarah, this is for you. We have already covered this to an extent, but briefly how many young people do you aim to provide mentoring for by 2024, how many 'mentorings' have been delivered to date, and how many do you aim to deliver in the budget year we are talking about?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): There are overlapping programmes here and I think it is helpful to set out where we are in each of those stages. As has already been mentioned, we have the YLF, which is coming towards its end, although it is important to say that the second round of YLF projects will continue in delivery until autumn 2022. Although we are talking about the end of the YLF, it is not ending immediately, and we have already supported over 100,000 young people through the YLF. It is worth saying that it is a real testament to the dedication of youth workers and London's youth sector that they managed to keep on delivering support to young people all through the pandemic and we are well on track to meet the targets for that YLF.

The mission has come in after the YLF, and we are now thinking about how we deliver the very high level of ambition set out in that mission. We are putting in place in this budget some of the resources that we need to do that, but it is worth flagging again that this absolutely has to be a partnership approach. The ambition is that all young Londoners can access a mentor and quality youth activities by 2024. However, as I said, it makes sense that we focus our resources and encourage partners to focus their resources on the young people who are most in need and who cannot access those resources, for example, through family or through other networks which they already have. What I cannot do at the moment is give you a numerical target for the mission because that would be to pre-empt some of those partnership conversations, but what I can say is that in terms of our budget, as set out here, what we have got basically is three phases of the work for this.

We have already committed a first phase of funding towards to the mission directly, and that includes £1.5 million of funding to the Violence Reduction Unit's (VRU) My Ends Programme and £750,000 of funding to the GLA-supported Stepping Stones Programme, which helps with transitions between primary and secondary school. Then we committed another £1 million through the final wave of the London Community Response Partnership, which I have already talked about, which was supporting mentoring specifically. We are just in the process of finalising a second phase, which is around about £5 million of funding, which we are hoping to be going live within the next few weeks, and what that leaves us with in the budget is around £14 million. That is the money that we are talking about potentially as a contribution towards this new

Collaborative Fund where we are talking with other funders in the philanthropic and charitable sector primarily but also, hopefully, private sector partners about how we can pool our resources together. What I would say is that until we know what scale of resources we can mobilise across the partnership, it is quite difficult to set out a reasonable level of expectation for targets on the delivery of that because we are absolutely trying not to just see our money as a standalone GLA procurement.

Caroline Russell AM (Deputy Chair): When will you have more of a sense of how those partnership arrangements are going to work?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): We have been taking part in a series of workshops, which have been convened by London Funders over the last couple of months, which have been really positive. As Richard mentioned earlier, we have signed up, as have a number of other funders, to a sort of statement of commitment in principle and we are hoping that over the next two to three months we will have certainty from other funders about what their positions are. They all have to take these through their own decision and governance processes, but we are hoping that by the end of this financial year we will have a very clear idea of how that is looking.

Caroline Russell AM (Deputy Chair): As I understand it, the AEB is for 19 to 24-year-olds rather than youth services. Does this partnership approach allow you to deal with that problem and have a bigger fund for young people that includes youth services?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): Yes, absolutely. That fund will be very much focused, exactly as you say, on youth services largely for younger young people than the AEB funding; AEB is limited to 19 [years] plus. As I say, for the purpose of this budget we have pulled out the courses and qualifications which are taken for 19 to 23-year-olds, but that is mainstream AEB provision and really important for the economic and employment prospects of those young people. What this fund will be trying to do is something quite different, focusing in much more, as you say, on youth services and on mentoring, not mainstream education or skills provision.

Caroline Russell AM (Deputy Chair): Yes, seeing the YLF coming to an end is an absolute tragedy because it has been doing some really good work. What are you doing to assess the impact on the projects that are losing that funding? You have talked about this Collaborative Fund for options for future years. When Richard earlier talked about a wider range of sources, was that also referring to this collaboration that you have just been outlining?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): Yes, it was. In terms of how we are managing as we come towards the end of the YLF, the first thing to say is that we have been trying to provide as much flexibility as we can to YLF providers who were affected by the pandemic. In a very immediate sense, we have given people an opportunity to extend their delivery period where they were not able to deliver quite as expected due to the pandemic. There are 49 projects which will be able to deliver for an additional three to nine months just to make sure that they really have the opportunity to deliver what they originally intended.

As the YLF was always planned as a programme that would run for a fixed period of time, right from the beginning we have built in work to try to make sure that the benefits of it are sustainable. Partnership for Young London is providing bespoke training for all our YLF projects to help them achieve financial sustainability when the funding finishes. For example, they are creating an online resource and trying to also deliver one-on-one and group training sessions to try to make sure that organisations who have been funded by the YLF have the best possible tools and opportunity to apply for other funding that might be available to them. We also have the YLF local networks, which have been working with YLF projects all the way through, providing support at a local level and helping organisations and projects also work together. That has been built into the programme from the beginning because we always knew that this might be where we ended up.

The other thing to say is that we are trying to make sure that we ramp up these other programmes as smoothly as we can so that there is not a cliff edge in funding. We know that we will not be able to fund in the long term at the level that we have been able to fund the youth sector through the YLF for the reasons that have already been discussed. What we are trying to do through the successor arrangements is make sure that (a) others are brought in and that that is done in a co-ordinated way because we know we get better collective impact when we work together, but also that that work builds on all the learning that has come from the YLF. There has been an incredible amount of really good work done around evaluation, as I say, around local networks and support for people. Trying to make sure that all of that is carried forward into this collaborative work is also a really important part of this.

Caroline Russell AM (Deputy Chair): Thank you. I now want to move on to Digital Access for All and that is for Phil. The mission allocation of revenue budget is up from £7 million this year to £20 million next year, and I have two brief questions. Just how many people in London are digitally-excluded, and how far do you aim to reduce this in this budget year?

Philip Graham (Executive Director of Good Growth, Greater London Authority): It is probably important to say that the increase in the allocation is because of a change in the way we have allocated the AEB budget between last year and this year. The GLA base funding remains small for this mission, but alongside that we have now identified the proportion of the AEB and the European Social Fund (ESF) funding that is going into the provision of skills, courses, and activities that relate to digital skills of all kinds. That is what has pushed the funding level up very significantly, but of course those types of activities were being provided previously; they just were not captured in this way. There is not a significant change in the type of support that we are providing for digital skills between the two years, even though there seems to be a jump between last year's budget and this year's.

In terms of your specific question, I do not have an answer to the point of how many Londoners we believe to be digitally-excluded, but I can talk to my team and see if we can write to you on that. What we have seen through the course of the pandemic is certain groups that are clearly more at risk of digital exclusion than others. That includes older people, it includes those on lower incomes, it includes often those from ethnic minority backgrounds, and it includes certain areas of the capital where fibre access and connectivity is less good. What we are aiming to do over the course of the coming year is to target both our digital skills programmes but also work in with boroughs and other partners for the device access and so on in those programmes at those communities. Also, we are starting now to roll out the Connected London Programme, which is our Programme to deploy TfL's digital infrastructure as a base system to be able to reach more easily communities and areas of London which have poor fibre connectivity. In many ways, they sort of jump the technology curve straight up to full fibre by connecting them into the TfL system. That has been held up because of the time schedule it has taken to agree the contract between TfL and BAI [Communications], which is providing its fibre connectivity. Now that is in place, that programme is rolling out and we are looking to accelerate it and make up the lost ground as quickly as we possibly can.

Caroline Russell AM (Deputy Chair): How will we be able to measure your success on this? It is clearly not in terms of the numbers of people digitally excluded and literally reducing those. What are you looking at in terms of measuring that?

Philip Graham (Executive Director of Good Growth, Greater London Authority): In terms of measures of each success for the Digital Access [for All] Programme itself, we are looking through the Connected London Programme at how many boroughs have developed new wayleave arrangements to connect into TfL's infrastructure so that those connections are being made and have been deployed in that way and the number of new public sector sites that we have been able to connect in.

In terms of the broader digital exclusion issue, this is part of the work that the London Office of Technology and Innovation (LOTI) is doing for us. We will be looking carefully to be able to understand and measure the numbers of people accessing digital skills provision, the barriers to digital access around connectivity, around skills, around devices and around data, and the extent to which we are managing to provide new access through taking down those barriers. It is part of the purpose of the work that LOTI is doing for us, which is what is being funded with the £1.5 million over the last year and this year is to be able to measure and target those things more accurately than we can at the moment.

Caroline Russell AM (Deputy Chair): Thank you. I would like to now move to the Green New Deal, staying with you, Phil. I can see that you are boosting the Green New Deal with base funding and some other bits of budget from AEB and external income. The total spend for the Green New Deal is falling by nearly £6 million between the 2022/23 budget and the 2024/25 budget year. What are you going to be doing to keep this mission properly funded, rather than being quite seriously cut in just two years?

Philip Graham (Executive Director of Good Growth, Greater London Authority): Clearly, the Green New Deal, as David [Bellamy] and Richard have both said, is a priority for the Mayor. It has one of the highest levels of funding, even after the reduction that you have mentioned, of any of the missions and foundations. Essentially, the funding reduces as the Future Neighbourhoods Programme comes to an end and as we pass the peak of the funding we can provide for a couple of significant programmes, notably Climate Resilience Infrastructure and Commercial Retrofit. That does reflect the fact that the uplift that was provided over the course of the last three years came from one-off funds, and we do not currently have an alternative route to fund them.

The first thing to say, as Richard has noted, is that this would be a priority area for the Mayor should further funding become available, particularly around the two programmes that we mentioned on Climate Resilience Infrastructure and Commercial Retrofit. The bigger picture here is critically important about the scale of funding that is required to achieve the goals of this mission and the role that the GLA's core funds and GLA Mayor funds can play in that, versus the opportunities to secure those and the work that needs to be taken to secure those. We are still modelling/remodelling to work out exactly what is needed for the net zero by 2030 target, but when we looked at net zero by 2050 we were looking at, I think, around £61 billion just for retrofitting London's building stock, if I remember correctly. Even if we were to get from £19 million back up to £25 million, that is not really making a difference there. There is a set of things that GLA core funds can do effectively. They can provide seed funding to demonstrate proof of concept for some of these new programmes and to just begin to create the supply chain you want to put in place. They can support the supply side and we have accelerator funds that are helping businesses to develop so that they will be able to deploy those wider funds. They can tackle particular gaps, as some of our funding has done, around air quality, for example, where we funded work in schools on air quality and work on particular areas such as non-vehicular emissions.

Broadly speaking, if you are really going to tackle this, we need significant funding from central Government. Central Government has announced a number of programmes that will be important here, including particularly the Sustainable Warmth Programme, which is going to fund energy efficiency measures in homes but also work on public sector estate decarbonisation and a number of other areas. Crucially, it is going to require significant private finance and finally, it is going to require the effective deployment of funding elsewhere in the GLA group. Clearly, an enormous part of the way in which we can meet our net zero targets is through TfL providing effective alternatives to private vehicle use and supporting sustainable and active travel. Having a functioning public transport system and working to decarbonise that public transport system is utterly critical to deliver this, and that is why in many ways perhaps the single most important thing we can do here is around TfL's funding settlement.

Alongside that, we are continuing to engage with Government. We have been quite successful around energy efficiency funding in the past, for example, the Local Area Delivery Scheme. We are seeking higher levels of funding from the Eco Programme, from Sustainable Warmth and so on, and we have identified some funding within this budget from the development costs of setting up a green finance facility. Clearly, part of what we then need to do through that development funding is to identify both where the GLA itself and the Mayor himself, if possible, can identify funds from to actually use as the seed capital which will go into that, but also to work with wider public and private sector finance providers to bring into that green financing facility and to start unlocking some of those broader amounts.

Caroline Russell AM (Deputy Chair): It sounds like you have got ideas for seed funding, for doing proof of concept, and you are hoping to get money from the Government. When is this all going to become clearer? Do you have a timescale on when? When are you going to know what money you can get hold of?

Philip Graham (Executive Director of Good Growth, Greater London Authority): I do not think there is ever going to be a point over the next couple of years where we are going to be able to say, "Here is the money that is going to get us to net zero. It is all signed, sealed and delivered, we know it is going to arrive and we are going to get there." This is going to be an ongoing process of engagement with private sector funding providers, with organisations like UK Investment Bank, with the boroughs around the funding streams that they have such as [the] Carbon Offset [Fund]. I think it will become clearer and clearer. For example, we expect in the New Year to be able to identify how we want to structure the green finance facility for London. Alongside that, the boroughs are doing work on the pipeline side of this with the UK Cities Climate Investment Commission and that is coming to fruition next year as well. Piece by piece, we will find out what we have been allocated by Government, but realistically this is going to be a funding stack, for want of a better word, that builds up over time and probably changes over time. We will continue to set out our best assumptions about what is needed, and the options for where those come from and I am confident that the uncertainty around that stack will become clearer and clearer. I do not think there is going to be a point where we are going to be able to say, "This is it and here are all the contracts in place, saying that it is coming from here." It is going to be a learning process and an ongoing process that is going to require continuing refresh over the next seven/eight years.

Caroline Russell AM (Deputy Chair): OK. Can I ask you about one very specific thing, which is Climate Resilient Infrastructure? It has come from nothing in this year to £500,000 next year and £500,000 the year after, and there is nothing in the narrative that really explains what it is. It is at 3.6 in appendix I, talking about,

> *"The Climate Resilient Infrastructure programme supports the Green New Deal mission through investment in infrastructure projects to improve climate resilience, including by enhancing existing green space and repurposing land to create more inclusive green spaces ..."*

Is this an accessibility thing? Is it --

Philip Graham (Executive Director of Good Growth, Greater London Authority): It is a combination of --

Caroline Russell AM (Deputy Chair): -- a leftover of National Park City?

Philip Graham (Executive Director of Good Growth, Greater London Authority): -- it is --

Caroline Russell AM (Deputy Chair): I am trying to understand what it is.

Philip Graham (Executive Director of Good Growth, Greater London Authority): No, it is a fair question. It is a combination of green space enhancement and climate resilience. It has built upon the work that we did through the Greener City Fund and the National Park City Programme and in many ways that Greener City Fund has tapered down and the Climate Resilience Infrastructure Programme has increased. We are looking to fund a number of different programmes through it. We have got a programme, which we are calling Green and Resilient Spaces, which is about putting relatively large-scale investment in parks and open spaces. That is both to improve their quality and their accessibility but also critically to enable them to support London's climate resilience, so to provide new flood defences, sustainable drainage and so on and so forth. Then alongside that, we are drawing from that funding stream some smaller amounts of money to support improvements to active travel measures and street space, again around resilience and around greening. We are bringing sustainable travel infrastructure together with green infrastructure, and a smaller pot of money about more pocket parks/community spaces where they want those to be invested in. It is very much building on but with a much stronger focus on climate resilience, which is increasingly urgent as an issue to address for the capital.

Caroline Russell AM (Deputy Chair): Thank you. I totally agree on that. Finally, in terms of A Green New Deal, how are we going to be measuring your performance and what in particular is being delivered in the 2021/22 current year?

Philip Graham (Executive Director of Good Growth, Greater London Authority): The measure in performance is going to be focusing on progress. If you look at the Dashboard, there are measures around progress and decarbonising the vehicle fleet, there are measures on progress in continuing to meet the Mayor's air quality targets and in particular around compliance with and achievements of the Ultra-Low Emission Zone (ULEZ). What we do not have in the Dashboard at the moment, but we will clearly be wanting to develop as the scale of funding available becomes clearer, are targets for what we will achieve in terms of deployment of energy efficiency measures, and improvement in emissions performance of London's homes and potentially also commercial buildings.

Susan Hall AM (Chairman): Assembly Member Sahota is coming in on a quick one here.

Dr Onkar Sahota AM: Thank you, Chair. This is a question to you, Phil. The Mayor recently announced a £7.5 million spend on the Future Neighbourhoods 2030 Programme with around 40 projects to be funded in Somers Town in Camden and Notting Dale in Kensington and Chelsea. Can you explain the benefits of investing deeply in neighbourhoods rather than spreading the money more widely, and thinly probably?

Philip Graham (Executive Director of Good Growth, Greater London Authority): Absolutely. It comes back to this point that Richard has raised about trying to create not only the direct impacts in the neighbourhoods that you are investing in but also a knowledge base that you can use and disseminate to other parts of the capital and you can use as the basis for future policy and future investment decisions. The reason we have set up the programme in this way is in order to look at the interaction between different environmental improvements and different environmental programmes in a single area. If you look at the remainder of our environmental programmes, they invest broadly across the capital. They deliver a lot of benefit, but they are spread, even in a single borough, against lots of different areas. By looking at how renewable energy projects link to sustainable transport projects, link to energy efficiency projects and link to sustainable drainage and resilience projects in a single area - and how we hope and expect that delivers benefits that are greater than the sum of their parts - you develop an evidence base that can be taken forward by boroughs, by developers and by others as they develop their own schemes.

I think it is important to say that while the direct investment of that programme is going to be in the Somers Town and the Notting Dale areas, alongside that we are funding some strategy development in other boroughs that made convincing applications to that fund. Although we cannot fund the delivery of their programmes, we are supporting them in developing their ideas on what that might look like. We are also putting funding into a learning and dissemination programme so we can actively promote the knowledge that comes out of this rather than simply hoping it will find its way into other organisations by osmosis.

Dr Onkar Sahota AM: Thank you. The Mayor's Retrofit Accelerator has been extremely successful and has been recommended by the national Government as being a centre of excellence that can help social landlords design and retrofit projects that reduce carbon emissions. Would you agree that the success of this programme shows how Government-funded and locally-delivered schemes can have a significant environmental impact?

Philip Graham (Executive Director of Good Growth, Greater London Authority): I think so and particularly with regard to the Accelerator. It is a really good example of how different levels can work together, going back to the role of the GLA and the role of that core funding. The boroughs have the pipeline, they have the homes. What central Government funding can do is to give boroughs and the private sector deliverers the confidence there is long-term funding here and there is a business that is worth investing in.

Through the Accelerator Programme we have been able to support some of those businesses where they are at an early stage in developing their skills, their capacity and in investing in the equipment they need to be able to respond to that, so that as that greater funding starts to follow through we have a supply side that can deliver it. It is still a challenge. As we have discussed on the AEB side in terms of green skills, the supply side is developing slowly. That, in part, relates to the fact that many of the national funding streams have been very short term in nature. However, we hope we are starting to see a change in that and the Accelerator can play a big role in enabling us to respond energetically.

Dr Onkar Sahota AM: Thank you. David, bearing what Phil has just said in mind, I know that a number of the projects - including commercial retrofitting programmes, climate resilience infrastructure and Zero Emission Zones - are at a risk of running out of funding in the aftermath of COP26. Do you think the Government will recognise the importance of these projects and guarantee funding in the longer term?

Richard Watts (Mayor's Deputy Chief of Staff): I will answer that, if that is OK, Assembly Member, because it falls into my portfolio. The sum total of the bill for getting London to net zero by 2030 is around £60 billion, which is beyond any single organisation to pay for. Clearly as much Government support to provide confidence to the private sector and others to put funding in, the better.

The point I will make, and I think this is a really important one, about the strategic role the GLA plays goes back to the point that Phil makes, which is if we had sustained funding, we would not necessarily keep these programmes running and we might look to spend that in other places.

Take the Future Neighbourhoods Fund, I am not sure how you much you gain from running another two trial neighbourhoods. The aim of that is to say, "Actually, there are already tens if not hundreds of millions of pounds of mainstream funding" in areas like street scene and highways refurbishments, Sustainable drainage systems (SuDS) and so on that the boroughs spend through the course of their day-to-day duties. We are trying to change the way that mainstream funding is spent as opposed to trying to replace it all with GLA funding, which is clearly never going to happen given the scale of the budgets we are talking about.

The whole point of this is that it is using GLA money to fund learning and fund changes in professional practice in highway teams, for example, as opposed to saying, "This is going to be a consistent level of GLA funding into neighbourhoods." We need to shift the way in which core business is done, as well as add additional funding if we are going to make this all work at speed.

Dr Onkar Sahota AM: Thank you. I know the Chair is very keen to move on.

Susan Hall AM (Chairman): Yes, we will. Assembly Member Pidgeon.

Caroline Pidgeon MBE AM: I was going to pick up on the Green New Deal. The Mayor, or his office, put out a press release when he launched the Green New Deal saying this demonstrated, "world-leading commitments to tackling the climate emergency including setting a bold target" and so on. It is peanuts relative to the scale of the challenge here surely. Is this really enough priority at this time of a climate emergency? It may be for you, Richard.

Richard Watts (Mayor's Deputy Chief of Staff): I think I have just answered that, have I not? In terms of the scale of the money that London needs, the GLA could stop working on everything else - it could do nothing on youth work, it could do nothing on safety, it could do nothing on any of the other areas it does - and it is still peanuts compared to the level of investment that is needed. It is a factor of the fact we have relatively un-devolved and un-empowered regional government in London. It would be nice if we did have the sum of money we need.

However, having a mature response to that and understanding where we can start to access money is why we need some of the work we are doing around the commercial programmes around the finance accelerators for understanding where the multiple billions that are going to be seriously invested if we are going to make any proper change in this kind of area can come from. That is never going to come from the GLA's core budget. As I say, we are a really small body in the grand scheme of things when you look at how much we spend. What we can provide is leadership, is convening and is some kind of upfront seed funding and investment to try to get the change across the city. Future Neighbourhoods is one small example of the kind of strategic positioning of the GLA in relation to the rest of it.

Caroline Pidgeon MBE AM: Coming back to you, Phil, on trying to look at how we measure this. You have talked about so much, so many programmes and so on. However, some of your key performance indicators are other bodies, it is about TfL delivering. Are you going to develop some that are specific to the GLA core rather than the other functional bodies?

Philip Graham (Executive Director of Good Growth, Greater London Authority): I think it comes back, to some degree, to Richard's point. I am sorry that it seems to be dodging slightly. There are some programmes that we have a much more direct role in delivering. I would say the most important of those is probably the Warm Homes Programme, where we are directly funding and supporting the delivery of energy efficiency improvements in the homes of fuel-poor Londoners. As we get a sense of the funding that will be available for that then we are going to have to set targets for that programme.

In so many other areas our role is to convene, to drive change and to direct. We have brought down London's level of air pollution, predominately through measures around cleaning up transport in London. A lot of that has been driven by the GLA and the GLA's core team and their engagement with TfL, but it is nonetheless a transport programme. Similarly, in terms of decarbonising the transport fleet, we use our convening power and our levers over TfL to drive that forward but it is not a direct responsibility of the GLA in terms of delivery. Therefore, in many ways my team's job is to make sure the other bits of the system are doing what they need to do and that is what we need to track.

Caroline Pidgeon MBE AM: I think in the next iteration of this it would be useful to see, where you can, ones that you are actually responsible for. Whilst I hear what you are saying, you set the policy. The Mayor has his Transport Strategy. TfL is delivering it. I would like to see what you are doing as a core where you have more direct levers.

Perhaps you can come back to us as well - I know we are tight for time - on the Digital Access for All. You listed older Londoners as one of the key groups and I am not clear how you are going to reach out to them. I did not understand the bid - I am sorry, it is obviously me being technologically challenged - on the TfL thing. You lost me on that. Perhaps you can write to us with more detail on exactly how you are going to measure this, and I might want to come back to you on that.

Let me pick up High Streets for All, Phil. How many London boroughs have a High Street Strategy? Can you give us an example of where this has delivered demonstrable changes to London's high streets?

Philip Graham (Executive Director of Good Growth, Greater London Authority): In terms of the High Street Challenge Fund specifically, which is the key GLA-led programme that has been developed on the back of the pandemic, we have provided funding to one or more projects in every London borough to develop those strategies. That is work that is underway at the moment. We gave that £35,000. There is one per London borough and there were a couple of projects that straddled boroughs. That is underway.

In terms of demonstrable improvements, the key programme here that is delivering those changes is the Good Growth Fund, which was put in place a few years ago and where the changes are being seen directly on the ground at the moment. As a couple of examples, the Blue Market has recently reopened in Bermondsey. It was a small market area, a retail area, which was very significantly underinvested in and was falling away, particularly as some of the other parts of Bermondsey were prospering in an area of social housing. We have invested significantly in the public realm there, in supporting some of the businesses that are there.

Caroline Pidgeon MBE AM: Is that the clock that has been installed?

Philip Graham (Executive Director of Good Growth, Greater London Authority): There is the clock that has been installed and there are new market facilities so that new businesses can come in there. The clock is nice, it is a nice centrepiece and brings people in but what actually matters is that the place has been reinvigorated and reactivated. There is now a Latin American market there every Saturday, replacing some of the facilities that were lost down the road at Elephant and Castle. It is genuinely changing things.

Similarly, to use another example, in Ilford the Spark Project is a range of measures within Ilford town centre. Again, there have been realm improvements to the high street. Critically, we are working with Mercato Metropolitano, which is a big food retail and market business. It runs the big food market in Elephant and Castle. It is building a major new facility there between the high street and the cinema, so it is creating a link between those areas. It is in construction and is going to be opening early next year. We funded improvements to the town hall, which has allowed SPACE studios, a workspace company for artists and creative industries businesses, to open a bunch of new workspaces there that are fully used and a new gallery to run programmes for schools in the area. The Good Growth Fund is delivering change on the ground.

What we are then trying to do - coming back to Richard's point - is to pick up the learning from that and take that into this broader series of high streets programmes and high street strategies that are developing through the Challenge Fund.

Caroline Pidgeon MBE AM: How are you measuring success? You can list all this money going in but what are you using to measure this? Is it increased footfall? There is a huge importance of childcare provision on our high streets. I have not seen that mentioned in any of the paperwork. How are you ensuring good childcare provision as part of these new reinvigorated high streets?

Philip Graham (Executive Director of Good Growth, Greater London Authority): In terms of measuring success, we are measuring the new public space that is being generated, businesses that are being supported and the jobs that are gradually being created through the Good Growth Fund. We have also been working in partnership with the boroughs, it is a genuinely shared project, to develop a new high streets data partnership. We provide the underpinning infrastructure, and the boroughs pay a subscription to feed into that so we can afford the data provision that has provided us with a much more granular understanding than we have had before of footfall, not just in aggregate but at different times of the day, and spend patterns drawing from mobile phone and card data in high streets across the capital. We are monitoring a set of those particularly carefully to be able to say which way the trends are going and what is working and what is not.

In terms of childcare provision, I do not have an answer at the GLA level.

Caroline Pidgeon MBE AM: You can write to me.

Philip Graham (Executive Director of Good Growth, Greater London Authority): I think that is exactly the kind of conversation we are trying to have with the boroughs as they develop their strategies. I can see whether we can write to you with any specific examples.

Caroline Pidgeon MBE AM: That will be helpful. David Gallie, how confident are you the 2021-2022 Missions Budget will be delivered in full? I think the spend for the first half of the year is about £23 million.

David Gallie (Executive Director of Resources, Greater London Authority): It is a real issue for us. In the past obviously we have carried forward requests for underspends and genuinely it has been a performance issue that Richard [Watts], David [Bellamy] and Mary [Harpley] have really been focusing in on. There is going to be a lot of work undertaken to get in particular our Quarter 3 (Q3) monitoring up to a level that we can have a real confidence in the forecast and profile being given will actually come through. In the past obviously, as you have pointed out at previous meetings, we have had issues about slippage on the capital programme and we have had underspends on revenue programmes. The real push for us is to look to ensure that the budgets we set, particularly when we bring forward the final draft budget in March, are very much reflecting all that work that will happen in Q3. The preparation for that over the next couple of months to ensure we genuinely have the allocation of resources that people can deliver in year is to try to halt the culture of carry forwards of resources. Of all the priorities we are facing I think that is probably the highest performance issue we have.

Susan Hall AM (Chairman): Thank you. We will be writing to you, Mr Graham, about Digital Access. I was not at all happy with the answers you gave Assembly Member Russell there so we will send a letter off to you and hope to get some proper answers to those questions.

Can I ask you please, especially Mr Graham, can you keep your answers shorter? We will freeze to death if we are in this Chamber longer than three hours and we are already half an hour over time.

We are now going on to foundations and that is being led by my colleague, Assembly Member Clarke.

Anne Clarke AM: Thank you, Chair. I have no interest in freezing so I will keep my questions brief.

Susan Hall AM (Chairman): Thank you.

Anne Clarke AM: Sarah, what metrics do you use to measure the success of a London Borough of Culture?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): I may defer to Phil on the London Borough of Culture, if that is all right, because that sits in his area.

Philip Graham (Executive Director of Good Growth, Greater London Authority): Essentially on London Borough of Culture we measure the number of people who have engaged with and participated in the activities that take place under the London Borough of Culture. We measure the number of artists and artistic partners who we have been able to support. We measure the matched funding we have been able to leverage and the volunteers who we support.

Anne Clarke AM: Thank you. What are the plans going forward for the Borough of Culture Scheme?

Philip Graham (Executive Director of Good Growth, Greater London Authority): The plans going forward for the London Borough Culture of Scheme are to continue to support the boroughs that have been London Borough of Culture already with their legacy programmes, and some of those legacy programmes are quite significant. We do not fund those, but we provide advice and guidance, try to ensure those are delivered as effectively as possible and connect them to other programmes. A really important one of those is the development of a new theatre in Walthamstow using the cinema space there. We are supporting the ones that have happened already with their legacy. Lewisham is taking place next year and Croydon is taking place in 2023. The Leader and Chief Executive of Croydon have set out clearly their commitment to that programme.

As with all the other schemes, the programme that we put in place includes not just the delivery but also ongoing support over another year or more for legacy programmes. However, currently, beyond the delivery of the next two, there is no funding available for a London Borough of Culture Round 3. There is a lot of external partners we work with on these. We work with Arts Council England; we work with the National Heritage Lottery Fund and we work with the Paul Hamlyn Foundation. We are talking with them about whether there is a way of generating sufficient external funding to maintain the programme in some form but, as things stand, there is no proposal to continue after the Croydon programme in 2023.

Anne Clarke AM: Thank you for that.

Richard Watts (Mayor's Deputy Chief of Staff): I think it is fair to say that in addition to that there have been breaks in the programme previously.

The fact that we cannot currently identify a budget does not mean a programme has been stopped or has been abandoned, it means we cannot currently identify the budget to fund another round. Clearly it is one of those things that in the event more money becomes available we will go back to the Mayor and say, "Are you interested in funding this?"

Anne Clarke AM: Thank you so much for that. As a Barnet resident I have enjoyed very much seeing the Borough of Culture in Brent and in Camden. I do hope that Barnet one day comes forward with a bid, should more funding become available. It really does uplift the boroughs.

Phil, going back to you - again, I am stressing the Chair's brevity, so we do not freeze - how much has London & Partners saved from its relocation to Union Street?

Philip Graham (Executive Director of Good Growth, Greater London Authority): I do not know. I will have to write to you in terms of giving the answer.

Anne Clarke AM: If you could, that will be helpful. Finally, you touched earlier on the Good Growth Directorate. Obviously promoting London is vital for our post-pandemic recovery. I am wondering what "good" looks like in terms of attracting foreign investment and tourism in a post-COVID world.

Philip Graham (Executive Director of Good Growth, Greater London Authority): In terms of attracting investment, it means continuing to bring in new business investment, continuing to open up opportunities for export for London-based firms and continuing to bring in major events. We are continuing to see that. For example, London & Partners has recently attracted one of China's largest digital platforms to London, which is going to bring around 1,500 jobs to the capital and a big US fin-tech company has decided to invest here, which is another 200 jobs. It has attracted the European Society of Cardiology Congress for 2024, the Ecocity World Congress in 2023 and the rather esoterically named International Society for Magnetic Resonance Annual Meeting in 2022, which again we think will bring in around £7 million in gross value added (GVA).

In terms of tourism, Let's do London filled a gap last year. Looking forward to next year, the task is to do all that we can to see as many international tourists as possible come back into the capital. Some of that will be through promotional activities. We are in discussion with Government about the deployment of the funding that has been announced it is putting towards VisitBritain to support that. It is also about making the absolute most we can of all of those events that are reopening in London that were not happening last year, the sporting events that are taking place and around things like the Lewisham Borough of Culture to make sure those are visible, that we build London's profile, and we make it an attractive destination.

Anne Clarke AM: Thank you, Phil. Before I hand back to the Chair, just to note that as you did not have the figures for funding, I then cannot ask you follow-ons about what you are expecting for that level of funding. After this meeting, when I write to you, could we include the supplemental question as well to save us all time following it up?

Susan Hall AM (Chairman): We will pick up some of these questions because there are others I am going to have to refuse that we will want the answers to and we are running very behind now.

Assembly Member Garratt.

Neil Garratt AM: A quick one on London & Partners. Obviously, there is quite a big change from what it has previously done, which was about attracting inward foreign investment, to what it is doing now with Let's do London and what you referred to just now where it is Let's do London (Overseas Edition), which is more like a retail marketing campaign reaching directly to individual people to come here. I do not know whether there is any thought on after that whether London & Partners reverts to its general plan A of attracting inward investment, or whether the success of Let's do London suggests that kind of work is more beneficial in future.

Philip Graham (Executive Director of Good Growth, Greater London Authority): I do not think there has been any reversion away from plan A. Plan A has continued alongside the work it has done on Let's do London. It has perhaps needed to divert a slightly larger proportion of its focus onto that sort of domestic tourism campaign but, as I was saying to Assembly Member Clarke, over the course of the same period it has continued to run trade missions. Over the pandemic they were run largely digitally but they continued to happen. It has continued to engage with investors in London, such as the Chinese digital platform and the US fin-tech company and I have a couple of other examples of that. It has always sought major congresses and events to come into London, which has always been a big part of its business.

Neil Garratt AM: That will continue as their core business?

Philip Graham (Executive Director of Good Growth, Greater London Authority): That is continuing as well, and I have mentioned a couple. I think there is something to learn from the success of Let's do London in terms of marketing the capital effectively as a tourist destination but that is not at the expense of what you might call its core business.

Susan Hall AM (Chairman): Thank you. Assembly Member Cooper.

Léonie Cooper AM: I was going to address this to Sarah but you might pass it back to Phil, I do not know. I wanted to ask you how successful has the Mayor's commissioning on diversity in the public realm been, bearing in mind he got into bit of a rocky start with cries over a poor appointment, someone who had to be removed fairly quickly. What is the assessment now?

Sarah Mulley (Executive Director of Communities and Skills, Greater London Authority): I am indeed going to pass that back to Phil who has, I am afraid, now had a very long run of questions but again he is best placed to answer.

Philip Graham (Executive Director of Good Growth, Greater London Authority): In terms of how successful it has been, there is an enormous amount of interest from boroughs and from civil society organisations. We have only just launched the main grant programme that the Commission will be leading, which is the £1 million Untold Stories grant programme, which will provide small-scale grants to reflect the full range of London's communities in its public realm. That has just kicked off and we will be running that over the coming months. The level of engagement we have had from partner organisations and boroughs and so on suggests there is real interest in this. I think it will be a success both in investing in London's public realm and in developing the body of learning for how you can create a more diverse public realm going forward.

Léonie Cooper AM: When you say "interest," does that mean boroughs have decided to pool some resources with the GLA to address the rather interesting fact that I understand might be true, that there are apparently more statues of horses in London than there are of women. I have not personally conducted an inspection so this could be an entirely made up story, but if it is true then it is quite bizarre.

Philip Graham (Executive Director of Good Growth, Greater London Authority): There are definitely more statues of animals in London than of women. I have not had the animals broken down by species, so I am not sure of the equine element of that.

Léonie Cooper AM: I do not think we have time to do that kind of study. Yes, there could be female animals, as has just been pointed out by a colleague, of course. Has anyone bought in to pooling resources to take this forward?

Philip Graham (Executive Director of Good Growth, Greater London Authority): I do not know if anyone has bought in to pooling resources yet, but we have a Borough Partners Board, which a very significant proportion of the boroughs are now members of, which is one of the structures that supports the Commission. There is a Borough Partners Board and then we have an Expert Advisory Board that brings in organisations like Historic England, English Heritage and so on. The boroughs are strongly committed to that. We are seeing a number of boroughs already taking action along the lines that the Commission is proposing, looking at the naming of parks, looking at how they can invest in new memorials and new monuments, changing street names and so on. We are seeing interest, but specifically in terms of pooling resources, I think that will come as we see what comes in through the applications to the grants programme.

Léonie Cooper AM: I specifically raise that point because my understanding is that funding for the Commission from the GLA is due to end during 2022/23, which is obviously going to be the next financial year. The Draft Budget commits to £230,000 of spend. I just wonder why it ends so soon.

Philip Graham (Executive Director of Good Growth, Greater London Authority): It was always intended to be a time-limited process. The Mayor wanted to, again, kickstart a new way of thinking and developing learning. The Commission was established as a two-year body. Alongside the work that the Commission will do in terms of identifying best practice, setting guidelines and so on, it has been given a significant budget, much larger than the budget to run the Commission itself, for investment in the public realm. Of that, £1 million will be this programme of small-scale grants to community groups, civic society and so on. The other part of it is about £750 million for at least three major emblematic commissions, three major new monuments.

Beyond that, the idea was always that the Commission would grasp this, would identify ways in which other bodies and other partners could develop, improve, and diversify their public realm as effectively as possible, and that learning would be taken out through the boroughs through programmes like our Good Growth by Design programme, perhaps incorporated into how the London Plan develops in future, and taken forward through other means. It was never intended that the Commission for Diversity itself would be a long-term programme.

Richard Watts (Mayor's Deputy Chief of Staff): For example, I am pretty confident the figures you cited around the number of statues in London representing women came from Commission for Diversity spend on the mapping exercise the Commission published.

Léonie Cooper AM: Yes. I could easily have chosen a number of other quite strange metrics because I am quite sure the number of statues commemorating the lesbian, gay, bisexual and transgender (LGBT) community or anything else, for that matter, is extremely low. As far as I know, there are something like six rainbow plaques nationally. The first one in London was put onto Clapham Junction Station in my constituency, commemorating Oscar Wilde. The second one has just commemorated My Beautiful Launderette and it has been put in the pavement in Lambeth outside the iconic site of the launderette. There is a lot of hidden history there that I think it would be very welcome to many Londoners to be uncovered and which I hope is going to be commemorated. I do not think it is about tearing statues down, I think it is about commemorating new things, myself.

I just wanted to ask you about the Mayor's Infrastructure Coordination Group, and I assume that I am going to ask you about this, Phil.

Philip Graham (Executive Director of Good Growth, Greater London Authority): That is me as well.

Léonie Cooper AM: You are not going to tell me to talk to Sarah [Mulley]. I would like to know what it has delivered since it was established.

Philip Graham (Executive Director of Good Growth, Greater London Authority): It has delivered, if I remember the numbers correctly, around £8 million in social benefit in terms of reduced congestion, reduced pollution, and so on, from better coordination of street works in the capital, including one single big project, the flagship project in Stoke Newington to bring three different sets of street works together, which we think delivered about £4 million of social benefit on its own.

Alongside that it has delivered two new data services, a new infrastructure mapping application that all the different utilities feed into, which allows you to see how different street works are planned going forward so you can identify opportunities for collaboration and better manage the impacts of those, and the London Underground Asset Register, which does what it says on the tin. There is very poor knowledge at the moment of where underground assets like water pipes, digital and energy systems are, and again, this is tackling a real challenge around effective planning, the cost and safety of street works.

Alongside that we are starting work to support developers in terms of better engagement with utilities, but it is early days to say how that will roll out. I would just say finally on this, though, it is important to note that the Infrastructure Coordination Service is entirely funded through external funding sources.

Léonie Cooper AM: If we cannot find any more external funding for the Infrastructure Coordination Group, what are the risks to us of that going forward after 2023, when I think the current figures end?

Philip Graham (Executive Director of Good Growth, Greater London Authority): We are starting to find additional funding sources already, and also the Lane Rental funding, the Lane Rental pot from which the majority of the funding has been drawn, will continue. I think it is unlikely that we would be in a position where there is no funding available, but even in that hypothetical situation I think both the tools that have been developed and the learning that has been developed, and the changing culture that has been engendered, would mean that there was a very positive legacy from this. For example, one of the other things that it has delivered is a set of specific regulatory incentives that the utility regulators have put in place around collaboration, which means there is a much stronger commercial incentive on the utilities to do these kinds of joint street works. Even if it all fell apart and the money just completely disappeared, I think there is a positive legacy there, but nothing that we are seeing so far suggests that that will be the case.

Susan Hall AM (Chairman): Thank you very much. Right, we are now going on to core functions. That is me. Mary, let us go as quickly as we can. We have another six sections to get through.

Mary, what is the impact on the costs across the core functions of the relocation of City Hall? We know about the rent, that has been highlighted; what about everything else? Where are these massive savings coming from?

Mary Harpley (Chief Officer, Greater London Authority): You can see from the Budget document, Chairman, that against what had been budgeted we are looking at a £9.7 million saving from the move out of here to our new City Hall. That does come largely from rent, as we know, but there are also significant savings from rates, smaller savings from utilities, some savings from cleaning and further savings on our other contracts as well, adding up to the total.

Susan Hall AM (Chairman): OK. The Budget claims that the reduction is driven by the financial benefits of the relocation, which is on page 6 of the Draft Budget, but in fact the single biggest difference between 2021/22 and 2022/23 is the drop in election costs from £21 million to £2 million.

Mary Harpley (Chief Officer, Greater London Authority): Well, yes, there were significant election costs in this year's Budget because of this year's election, but in terms of recurring funding the drop from our move out of here is significant, just under the £10 million.

Susan Hall AM (Chairman): That was a significant figure as well.

Mary Harpley (Chief Officer, Greater London Authority): Yes, but the election spend is lumpy.

David Bellamy (Mayor's Chief of Staff): The point is, yes, it is the most significant spend, and at the next election it will be the most significant spend and the time after it will be the most significant spend.

Susan Hall AM (Chairman): I think we can work that out. We will no doubt debate some of that another time. Do the relocation saving figures at 6.13 on page 27 in the Draft Budget include the reduced rent offered to the GLA by the City Hall's current landlord?

Mary Harpley (Chief Officer, Greater London Authority): No, the figures at 6.13 are budgeted figures compared with actual figures going forward. We had a lot of debate at the time about the offer made by our current landlord for us to stay but as we know, it got nowhere near meeting the costs we can achieve out of here at the Royal Docks.

Susan Hall AM (Chairman): It is based on the current rent, not the new rent that they were prepared to give us?

David Bellamy (Mayor's Chief of Staff): Yes. It shows --

Susan Hall AM (Chairman): No --

David Bellamy (Mayor's Chief of Staff): -- the contracted situation we were in --

Susan Hall AM (Chairman): Yes, no, no, no, I --

David Bellamy (Mayor's Chief of Staff): -- before the decision --

Susan Hall AM (Chairman): Thank you.

David Bellamy (Mayor's Chief of Staff): -- and the situation we are now in after the decision, and that is the right basis for comparison given that there were a very significant number of options that could have been taken in that decision --

Susan Hall AM (Chairman): No.

David Bellamy (Mayor's Chief of Staff): -- either involving this building or not.

Susan Hall AM (Chairman): No, I am sorry, I do not accept that. If we were offered a significantly smaller amount of rent, that should go into the figures and it should be taken into account.

David Bellamy (Mayor's Chief of Staff): That was one of the options and it did go into the figures in the options in the Mayoral Decision. There were other options that could have been taken in terms of using more space in Palestra and less space in Union Street, in terms of not having City Hall and using external space for meetings such as this. There were a range of options that were looked at. What the Budget document rightly does is set out the change between the previous contracted position the Authority was in, and the one that we are in now, not the variety of possible alternative decisions that could have been taken but were not.

Susan Hall AM (Chairman): I am sorry, I think when people are looking at this ridiculous move it is best that they know what we could have been paying had we stayed here, with a reduced amount of rent being paid. We will move on because we are all freezing to death because clearly no money is spent on heating in this place.

Mary, will the transfer of human resources (HR) services to TfL result in any long-term savings and can you quantify them, please?

Mary Harpley (Chief Officer, Greater London Authority): We have set those out to the Oversight Committee. David [Gallie] has those numbers if you want them again now.

David Gallie (Executive Director of Resources, Greater London Authority): Yes, thank you, Mary. The papers to the Oversight [Committee] looked at the repayment of the investment we are making in the transfer being repaid over a three-and-a-half-year period from when the savings would start.

Susan Hall AM (Chairman): What are the savings?

David Gallie (Executive Director of Resources, Greater London Authority): I would prefer not to disclose the level of savings as an exact quantum, for reasons that I think you already understand in terms of the consultation with staff. The repayment profile is one that I think is a healthy one given the anticipated savings we are making.

Susan Hall AM (Chairman): The current timetable for the transfer of the services?

Mary Harpley (Chief Officer, Greater London Authority): I can comment on that. We remain absolutely on track for the transfer of the services, autumn next year [2022], which of course includes the switch of our payroll provider from London Fire Brigade to TfL. As David Gallie, however, has referred to, we are still in the throes of concluding consultation on the payroll arrangements, and we also will need to talk to the staff in HR and consult them on the implications for them, both of which we are in the throes of now.

Susan Hall AM (Chairman): OK. David G, have you anticipated any funding from Government to cover the increased employer's National Insurance costs?

David Gallie (Executive Director of Resources, Greater London Authority): It would be lovely if I was able to say yes as a firm commitment. The Treasury in the Spending Review did say that the employer's National Insurance would be covered. However, experience suggests that the overall quantum of resources allocated to local government could be said to be assuming that it would be in there, rather than an increased level of discrete resource added. We will need to await the provisional settlement from the Government to determine whether that is actually the case, whether there is genuinely new money put in, or whether it is to be contained within the control total that has been set.

Susan Hall AM (Chairman): OK. We can watch that, can't we? How is the level of inflation reflected in the core functions?

David Gallie (Executive Director of Resources, Greater London Authority): I go back to the answer to Assembly Member Garratt earlier on. We have assumed a 2% pay award for staff and obviously that is subject again to consultation with unions. Clearly, inflation is running significantly ahead of that at the moment. On the non-salary spend, we have assumed effectively a cash limit that programmes will need to contain their spend within the approval that has been given to date.

Susan Hall AM (Chairman): Mary, in the 2022/23 Budget submission it includes £20.8 million for the cost of the elections in 2021/22. What will be the final cost and has the overspend been funded?

Mary Harpley (Chief Officer, Greater London Authority): Sorry, Chair, are we talking about the elections that have just happened?

Susan Hall AM (Chairman): 2022/23 Budget.

Mary Harpley (Chief Officer, Greater London Authority): The costs laid out for the 2022/23 Budget are the beginning of the costs that we anticipate to deliver the 2024 election. At the moment, the Budget assumes we will count 2024 electronically and there are some early upfront costs associated with that. That is what you see laid out in the 2022/23 Budget.

Susan Hall AM (Chairman): OK. Niran, what can we expect to see in the 2022/23 Budget from the Mayor's wellbeing measure?

Niran Mothada (Executive Director of Strategy and Communications, Greater London Authority): With the Mayor's wellbeing measure, we are doing some work. There is a huge amount of data that is already published about the wellbeing of Londoners by the GLA and other organisations, and there is a need to bring this data together. We are also looking at the way in which wellbeing measures have been developed by areas such as the Organisation for Economic Co-operation and Development (OECD) and University College London (UCL) as examples of how we can do this. We think there is huge benefit in having a wellbeing measure for

London, not only for the GLA to use and our policy people to use but also for other London organisations to use as well.

There is an amount of money, I think it is about £75,000, in the Budget for this year for our data teams to develop this measure. It may not be developed in the first year, it may take us a little bit of time because there is a huge amount of work to do around this and also to get buy-in from stakeholders and do engagement with Londoners as well.

Susan Hall AM (Chairman): Remind me how much it was again?

Niran Mothada (Executive Director of Strategy and Communications, Greater London Authority): I think it is £75,000.

Susan Hall AM (Chairman): What will that achieve? I never get what wellbeing is anyway.

Niran Mothada (Executive Director of Strategy and Communications, Greater London Authority): There are a number of ways in which wellbeing can be measured and like I said, there is a huge amount of data already out there. This is about us pulling together that data and having a very clear measure, based on London and London's demographic, as to how we would measure wellbeing.

Susan Hall AM (Chairman): What will it achieve, knowing that?

Niran Mothada (Executive Director of Strategy and Communications, Greater London Authority): It will help support our policymakers within the GLA in terms of how it is that they develop policy around wellbeing and using the data in a way that is more effective than it is right now. Also, it will make it available across London as well for other organisations to use the measure.

Susan Hall AM (Chairman): OK. I am personally not convinced but obviously you are, so we will see how that goes. David Bellamy, the Mayor's Office budget is seeing an increase in 2022/23 of £300,000. What is the reason behind that?

David Bellamy (Mayor's Chief of Staff): There are seven reasons, Chair. Firstly, the growth, as set out in the consultation document, in terms of the Mayor's Office restructure. Secondly is allowances for out-of-hours working, which were missed in last year's Budget across a few departments. They were paid, so it was a budgeting error rather than a change in expenditure. We brought those into the Budget, and they are now updated with the allowances that are in place following the restructure, in accordance with the GLA's updated policy on these things. Thirdly, in response to the consultation, the COVID-19 post that the Mayor's Office had come to an end as that was not needed but was replaced with a Health Advisor post, so there are costs associated with that.

Fourthly, the Head of Digital Innovation post that sits in Strategy and Communications. We concluded that it was best regarded as a shared post between the two Directorates and so half the cost of that post sits in the Mayor's Office budget. Fifth, the conclusion of the restructure and the grading decisions made by the independent process there. Sixth, as staff have been appointed into the new structure that gives us clarity on where they are in the incremental scale, allowing us to set out costs more accurately. Seventh, in terms of mayoral advisors, we now of course have a Deputy Chief of Staff rather than a Mayoral Director of Policy so the budget has been updated to reflect that, and also the fact that we have some new mayoral directors who would start at the bottom of their grade.

Susan Hall AM (Chairman): OK. In the meantime, the Internal Relations team has moved out of the Mayor's Office, hasn't it?

David Bellamy (Mayor's Chief of Staff): It has, yes.

Susan Hall AM (Chairman): However, it is doing the same function.

David Bellamy (Mayor's Chief of Staff): Yes.

Susan Hall AM (Chairman): How much does that team cost?

Niran Mothada (Executive Director of Strategy and Communications, Greater London Authority): It is £400,000.

Susan Hall AM (Chairman): £400,000?

Niran Mothada (Executive Director of Strategy and Communications, Greater London Authority): Yes.

Susan Hall AM (Chairman): £400,000 has been taken out of the Mayor's budget because it has gone into a different department, and still the budget is increasing by £300,000? Have I got that right?

David Gallie (Executive Director of Resources, Greater London Authority): Chairman, if I can be clear, the transfer that has occurred is of the Mayor's travel expenses, which were previously in the Mayor's Office but are now in the International team's budget.

Susan Hall AM (Chairman): The Mayor's travel expenses?

David Gallie (Executive Director of Resources, Greater London Authority): The Mayor's travel budget, yes.

David Bellamy (Mayor's Chief of Staff): There is a budget for the Mayor and advisors to accompany him on international trips, which of course has not been -- well, the Mayor cannot go on international trips without somebody paying the travel costs and so there is a budget for that. That budget is managed by the International team, so it sits with that. It is not just Mayor's Office people who go on those trips, necessarily.

Susan Hall AM (Chairman): Right, OK, that is as clear as mud, so what we will do is we will write to you about that so you can clarify.

David Bellamy (Mayor's Chief of Staff): OK.

Susan Hall AM (Chairman): All I ever know is every time we look at the Budget the Mayor's budget goes up by goodness knows how much, and I am sure Richard does not cost us £300,000.

Richard Watts (Mayor's Deputy Chief of Staff): If only, Assembly Member.

Susan Hall AM (Chairman): He wishes. Right, before I end this section I am going to bring in Assembly Member Cooper.

Léonie Cooper AM: Thank you very much, Chairman. I just wanted to come back to Mary. I do not want to talk about the growth in budgets, I just want to come back on the issue of savings. In section 6.5 on page 24 of the Draft Budget, it states that savings in HR, External Relations and Government Relations - or perhaps it does relate to the points the Chairman was just covering - may not be delivered. Could you briefly explain why that might be the case? Are these just growth budgets and savings are not really going to happen?

Mary Harpley (Chief Officer, Greater London Authority): The first thing I would say is that we are just at the half-year point of the year we are talking about. Work to deliver these savings is ongoing. I think Niran will talk in a moment about External Relations and Government Relations.

The area where we are most worried about the savings delivered, however, is HR and that is primarily because we have had to spend more money on recruitment than we had intended to do. Members will be all too aware of some of the recruitment problems we have had. I will not go back on to the history of them, but as a result of them we had to shore up our recruitment function. We have gone out now for some external support, which is now beginning to reap benefits, but it has meant we have not been able to deliver all the anticipated savings. Those are the bulk of the savings that we do not think are going to be delivered under this section 6.5.

Niran Mothada (Executive Director of Strategy and Communications, Greater London Authority): I can cover off the other two areas.

Léonie Cooper AM: Just before you do, I have been involved in a lot of office moves previously and this is yet another one. I had rather hoped to do something where I did not have to go through an office move because they are normally traumatic, but one of the things that normally is a consequence is that people who find travelling to a particular location - I am going to use a 'for example,' London Bridge - and enjoy working in that particular location may find when they move to a new office that it is not quite the same and they decide to leave. I hope we are not anticipating very many savings in HR next year because I have moved offices from Hendon to Leicester and it is a very common thing that people being asked to move from one location to another do not like it and leave. I hope we are not going to underestimate recruitment costs next year because that is likely a budget that is going to be quite fulsome.

Mary Harpley (Chief Officer, Greater London Authority): We are not cutting HR further into this next year. The extent to which we need to recruit as a result of the move, we will find out in the next four to six months.

David Bellamy (Mayor's Chief of Staff): Of course, it is worth noting that a considerable proportion of staff who were previously based here at City Hall will now be working at Union Street, which is walking distance from London Bridge.

Léonie Cooper AM: Yes, how nice for those staff, but I am talking about staff who are being relocated --

David Bellamy (Mayor's Chief of Staff): I appreciate that.

Léonie Cooper AM: -- somewhere several miles from here, which takes at least half an hour to get to from here. Many people will travel to London Bridge and then have to travel for a further half an hour. Many staff may be going to Union Street or indeed Palestra or many other locations, but for those staff who are not, you might find that there might be some turnover. Let us go back to Niran.

Niran Mothada (Executive Director of Strategy and Communications, Greater London Authority): We are on track to meet our savings in External Relations, £300,000, which was off our marketing budget, and we are also on track to meet our savings for Government Relations. We have already reduced the size of the European office from three down to one, and we have also closed the physical office there. There may be some cost to giving the office back and we are just working through that right now, but as it stands, we are on track to make both those savings.

Susan Hall AM (Chairman): OK, thank you. I can confirm, Mary, recruitment in this building has been dire and I hope things improve because it has been atrocious. A very quick intervention by Assembly Member Garratt.

Neil Garratt AM: Thank you. You mentioned, Mary, about the difficulties we have had with recruiting and I wonder, do you not think that is going to get even more difficult moving to a location in Zone 3 that is not even on a Tube line? Do you not think it is going to be even more difficult to recruit staff to that location?

Mary Harpley (Chief Officer, Greater London Authority): The difficulties that I have talked about in recruiting have mainly been process-based difficulties, just to be clear. In terms of recruiting to our new location, we have been clear in all of our advertisements for the last few months that that will be our new location and I am unaware that we are seeing a material impact on our ability to recruit as a result. As I said to Assembly Member Cooper, we will have to see how these things pan out over the next few months. Only then will we be able to be sure whether it has had an impact or not. Again, it is not brand new to people now. All the people who we have recruited over the last few months have been aware of our move.

Neil Garratt AM: Perhaps it has already been having an impact. Thank you, Chair.

Susan Hall AM (Chairman): Thank you. We are moving on now to affordable housing delivery. Assembly Member Fortune, thank you.

Peter Fortune AM: Thank you, Chairman. Rickardo, this is for you, and I am mindful of time so we will just go for numbers and yes/no answers to this if that is all right. There has been an investment of £4.8 billion in Government funding to help build more affordable homes and the target of 116,000 new and affordable homes starts has been set to be completed by 2023. Are you still on target to achieve that?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Yes, we are still on track to meet that target but it is worth bearing in mind that it is quite a challenging environment that housing providers are operating in at the moment. Over the last year alone, we have seen significant labour shortages and build cost inflation. When the target was agreed back in 2016, the economy and the housing market was in a very different place. Notwithstanding the challenges that I have outlined, as I said, at this point in time we are on track.

Peter Fortune AM: I really do appreciate there are challenges in supply chains, and so on. What are we doing to mitigate that, when will we know if that target is going to slip, and are there any other risks that need to be addressed?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): I could talk all day about the risks, and I have just touched on a few of them, but the best measure that we have at our disposal is to ensure that we maintain ongoing dialogue with partners and we keep track of market trends to understand how the housing market is performing. The challenge that we have is the closer we get towards the end of the programme - which is, by all accounts, quite heavily backloaded - if there is attrition from the programme, it is going to be more challenging to recover that.

One of the things that is quite a major risk for us at the moment is, in fact, the local elections next year, and planning applications getting through the system. We know historically that as you get closer to the local elections, it is generally the safer, as it were, applications that get through, and there is a call made by certain authorities or committees not to take applications quite far out from that May [2022] election. That is a particular risk. Resourcing of planning departments generally across boroughs has been an ongoing challenge for some time and will remain so.

We are alive to the issues, we are keeping a track of the programme and, as I say, at this point in time we think we will get there but it will be very challenging.

Peter Fortune AM: OK. One part of my question was, "And if it does look like it is going to slip, when will we know and who will you be reporting that to?"

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Again, through quarterly performance reporting and direct reporting to the Chief Officer, Chief of Staff, and the Mayor. If we get to a point where we do not feel we will be able to deliver that target, then we will be as transparent as we have always been.

Peter Fortune AM: That is a very helpful commitment, thank you. When do you expect the remaining affordable homes from the 2016–2023 programme to be completed?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): At present, we have homes completed in the programme all the way up to the early 2030s. Those are major schemes, multi-phased projects that without that commitment of funding to be able to get going and to get onsite, would not have gotten away. I mentioned schemes going into the early 2030s; we are talking about two or three major schemes. Most of the completions will come onstream by around 2026/27.

Peter Fortune AM: 2026/27, to complete that 2016–2023 programme?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Yes, most of the completions will happen by then.

Peter Fortune AM: OK. Where can I go and see where that spend is at the moment, in terms of what has actually gone out the door, if you will excuse the pun?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Sorry, are you talking --

Peter Fortune AM: The 2016–2023 programme.

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): In terms of spend?

Peter Fortune AM: Yes.

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Just very briefly, in terms of how we fund schemes to incentivise delivery, we usually split the funding for each project between key milestones, largely start onsite and practical completion. The reason why we hold back some expenditure for completion, and have historically done so, is to ensure that there is an incentive, carrot or stick or whatever you want to call it, so that partners do not lose focus and bring forward those completions as quickly as possible.

We are, at the moment, reviewing the programme to see how we can accelerate those completions by perhaps committing to release that funding earlier, but we do publish our outturn and expenditure figures routinely - I think David [Gallie] will correct me - so you will be able to see, based on what we publish online, what we have spent against that programme to date.

Peter Fortune AM: That technique of carrot and stick and golden brick, the same thing is going to be in place for the 2023 programme as well, for the latest programme?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): Yes. The 2021–2026 programme, the new programme, is slightly different because the parameters are that all homes need to start onsite by 2026 and need to complete by March 2029. There is going to be a tighter period for starts and completions as opposed to what we have had for the 2016–2023 programme.

Peter Fortune AM: You are not holding any cash back in that programme?

Rickardo Hyatt (Executive Director of Housing and Land, Greater London Authority): We are holding cash back. Overall, it is just to say that, as opposed to the 2016–2023 programme where the predominant focus was on achieving starts onsite, which is the 116,000 target, and the agreement that we had with Government did not have an end date for completions, whereas the 2021–2026 programme has a defined end date for completions and for that programme overall.

Peter Fortune AM: It would be interesting to look at the length of completion as a result of those two schemes afterwards.

Rickardo Hyatt (Executive Director of Housing and Land): Yes.

Susan Hall AM (Chairman): Thank you. Assembly Member Cooper.

Léonie Cooper AM: Yes, I just wanted to ask a little bit about the City Hall developer pilot which is due to start delivering additional affordable homes for Londoners. Do you want to give us an update on progress and what you think it is going to be achieving?

Richard Watts (Mayor's Deputy Chief of Staff): The Mayor's Manifesto included a commitment to pilot a City Hall developer. In terms of your wider questions about how many we achieve, the simple answer to that is we do not know until we have concluded the pilot. Assembly Members have talked about the potential risks involved in this and that is clearly right, so we do not want to get ahead of ourselves on this one.

Where we are in this process at the moment is the eminent Lord [Bob] Kerslake [former Head of the Home Civil Service] is currently reviewing housing delivery across City Hall and the wider GLA Group. We are asking Lord Kerslake to come forward with some recommendations about the extent to which an inhouse developer may be able to accelerate housing from that, and then take a decision based on the recommendations we get from Lord Kerslake.

Léonie Cooper AM: Does that mean we are expecting it to become an actually existing entity during, for example, the next financial year, 2022/23?

Richard Watts (Mayor's Deputy Chief of Staff): I think it is too early to say. We have appointed Bob because he is an expert and I do not want to prejudge his conclusions.

Léonie Cooper AM: Well, it is a Manifesto commitment so that means it --

Richard Watts (Mayor's Deputy Chief of Staff): There is a Manifesto commitment to pilot it and we therefore need to be very careful not to overegg that.

Léonie Cooper AM: Well, let us say an actually existing pilot in 2022/23, because after that it would have to happen during 2023/24 because I believe the election is in May 2024. It will have to happen during one of those two years, otherwise the commitment there seems to be becoming a bit wobbly. When do you think it might become an actually existing pilot?

Richard Watts (Mayor's Deputy Chief of Staff): I do not know. Let us see what Bob recommends, Lord Kerslake recommends.

Léonie Cooper AM: Well, no doubt, when you have that recommendation, it will be shared with us as soon as possible.

Susan Hall AM (Chairman): Thank you. Did you still want to come in, Assembly Member?

Caroline Russell AM (Deputy Chair): I gather that Lord Kerslake said to Assembly Members this week that the timing of the review reporting is in the new year. He was asked if it was likely to impact the budget and apparently he said, "Oh, it might." Do you anticipate late changes to the budget coming out of the Kerslake review, and are there any implications for staffing as well from that?

David Bellamy (Mayor's Chief of Staff): Let me take that because, along with the Deputy Mayor for Housing, I am overseeing the review because it is a pan-Group review, as was explained. In short, I do not want to prejudge what Lord Kerslake concludes. Clearly, he may recommend something; if he does, the Mayor has to decide whether to accept that recommendation or not.

If the Mayor does recommend it, then we have to look at implementing it and we have to decide, "What is the process for that, and could that be done in 2022/2023? If so, what are the budgetary impacts, and can we update it?" It is obviously important to remember in any case that a budget is a forecast and a plan for the year ahead, and that, as we saw with COVID, when circumstances change, we need to change what is in that plan. We would not go down a path that is suboptimal for a year just because we have set the budget and our hands are tied, that would not be very sensible, but we do need to wait and see what Lord Kerslake recommends. He has not --

Caroline Russell AM (Deputy Chair): Of course, I absolutely get that but --

David Bellamy (Mayor's Chief of Staff): To be clear, he has not privately said anything. I speak to him about fortnightly during this review and he has not said anything to me that would have budgetary impact yet. He is still fact-finding and coming to views.

Caroline Russell AM (Deputy Chair): As soon as that review is published, then we will want to understand very quickly if there are any budget implications.

David Bellamy (Mayor's Chief of Staff): Of course.

Caroline Russell AM (Deputy Chair): On the mayoral Manifesto commitments, we have 26 commitments which are outlined on pages 17 to 19 of the main Budget document. I just wonder, David, if you could talk through the reasoning behind adding these specific 26 Manifesto commitments to the proposed Budget. What made these specific items a new priority?

David Bellamy (Mayor's Chief of Staff): What we have done is we have taken all the mayoral Manifesto commitments in total, and we have been clear which ones relate to the GLA and which ones relate to the functional body. Then for the ones that relate to the GLA, the question is first: do they require any financial commitment? Some of them may just say things like, "Let's lobby," and you would not need to put any budgetary allocation behind that. Then, of those that require money, the question has been: does it require GLA money or is it something that will be externally funded? Is it in the GLA budget already? Then what you see in the Budget document is what is left, the GLA-related Manifesto commitments where we believe money is needed from within the GLA Mayor's budget to deliver them.

Caroline Russell AM (Deputy Chair): Given the short time to the end of this mayoral term, there is a risk that you focus on the short-term things and also that anything that requires significant funding gets left, becomes a pilot or whatever. Are you able to just comment on the tightness of the term that you are dealing with?

David Bellamy (Mayor's Chief of Staff): It is a very fair point. A three-year term is barely over 1,000 calendar days, and that is including weekends and public holidays. It is a very tight time for any Mayor to deliver their Manifesto, there is no doubt about that. The Mayor's Manifesto clearly was written with that in mind. I do not see any sign of us downscaling things that the Mayor intended to be bigger because obviously the Mayor knew that it was going to be a three-year term.

In any case, the reality of the GLA Mayor's budget is that ultimately, in the big scheme of things, it recurs at the same sort of levels of council tax and business rate income. If you are going to do big, multi-year schemes, you are going to necessarily be limited in those anyway. That is why the GLA Mayor's budget tends to be more about - as we have talked about this morning - establishing policy, establishing best practice and learning which then others can take forward, because the GLA on its own does not have that ability to deliver at scale. It just does not have the resource to do it.

Caroline Russell AM (Deputy Chair): Thank you. I just have one final detailed question about SK112, which is on page 18, and it is a question for Phil Graham because it relates to Good Growth. I just noticed that you have gone up from £200,000 in the 2022/23 budget to £800,000 a year for the next two years, 2023/24 and 2024/25, which is to support the city to be the world-leading centre for green finance, setting up a new financing facility to bring more investment for infrastructure in London. Why does this programme have such a big boost in those last two years? What are you expecting to fund with that big uplift?

Philip Graham (Executive Director, Good Growth, Greater London Authority): It is essentially the switch from broadly policy development work in the first year about what the right kind of finance facility for London is, to institutional development work in the second two years to put that finance facility in place. For want of a better way of putting it, I expect in the second two years we are going to be spending a large amount of money on lawyers and commercial advisors - well, relatively large amounts of money - about how this thing will operate, whereas at the moment we are working with the Green Finance Institute on the underpinning policy as to what kind of facility would make most sense for London.

Susan Hall AM (Chairman): OK, I am going to stop the questioning there, but I have lots more questions. I know colleagues have. I am going to talk to colleagues right at the end of this meeting about how we formulate a letter because I am not happy with a lot of the answers to things that we have had either. Colleagues, I was asking all the questions on staff, which I will also put in a letter. We have then gone on to capital.

Caroline Russell AM (Deputy Chair): Do you want me to do that now or do you want to put it in writing?

Susan Hall AM (Chairman): Is there anything you specifically want now? If not, we will put it in --

Caroline Russell AM (Deputy Chair): No, I think we could put it in writing, particularly teasing out the Crossrail point. I think get that in writing for David, yes.

Susan Hall AM (Chairman): OK, we will put that also in writing to you all.

Peter Fortune AM: I would appreciate maybe two minutes on Crystal Palace.

Léonie Cooper AM: I had a follow-on in the mayoral commitment issue related to London Power, so perhaps we could put that in as well.

Susan Hall AM (Chairman): Absolutely. Anything we have that we want is going to go into this letter.

Caroline Russell AM (Deputy Chair): We were just in the process in that section.

Susan Hall AM (Chairman): There is something that was imminent on Crystal Palace, very, very quickly, Assembly Member.

Peter Fortune AM: This is perhaps to David Gallie. Residents in Bromley, and I know surrounding boroughs as well, were very pleased to see some capital allocation or proposed capital allocation put forward to the Crystal Palace National Sports Centre. The reason I bring it up now, Chairman, is because there are lots of people locally who have been lobbying on this, and it would be really helpful if we could have some idea of timings, a commitment to fixing the pool, and what that regeneration and capital investment programme would look like.

David Bellamy (Mayor's Chief of Staff): Perhaps I might be better having a go at that. The Crystal Palace National Sports Centre, it is perhaps an accident of history that the GLA ends up responsible for it, but we are, we do and while we have spent a certain amount on maintenance since it came into our control, it is a decades old building that has not had the investment it needs in the past and is very much in the end of its lifespan. The decision that the Mayor has made is that we cannot really do nothing; doing nothing will ultimately lead to the building incrementally closing as more and more issues occur.

We could continue with a patch and mend approach as problems occur, but that will not be a cost-effective way to do it and will lead to significant periods of closure and a very reactive approach. We could do a comprehensive maintenance programme, and that will help in terms of stopping there being further issues but will not address some of the fundamental issues that we have. For instance, we are paying the best part of £1 million a year to subsidise the running costs.

Peter Fortune AM: David, in an effort to be completely collegiate -- because I can assure you people are really grateful for the Mayor's promise to invest in the sports centre. That is fantastic, we support that. Around the diving pool - families and users of that have been travelling right across Kent and the south-east - they were really pleased to see the commitment in this Draft Budget to fix that. Specifically, because I know people will be watching this, when do we think it will be fixed? When can we say to these families that they can get back to using that pool and training, which I know so many of them are looking forward to doing?

David Bellamy (Mayor's Chief of Staff): To answer that question, the Mayor wants it open as quickly as we humanly can. We are all on the same page about this. What we need to do - there is a decision coming forward and Rickardo and I are discussing it this afternoon, actually - is procure the firm to do the works and we will need to set out the programme, because what we do not want to do is close down the entire centre for the entire duration of the works. Ultimately, it is a multi-year thing, when you look at the centre, when you look at the associated halls, when you look at the athletics track, the lodge and so on. It is a very, very big programme of work. What we want to do is find a way of working with all the key bodies who use the centre to try to minimise the period in which only one part of the facilities is open.

Peter Fortune AM: OK, so you are speaking with Rickardo tonight or this afternoon. If you could give me an update later after those conversations, that would be useful.

David Bellamy (Mayor's Chief of Staff): Yes, we are, and a decision will come forward to the Mayor which will then enable us to start the procurement. We are not going to be able to set the timetable until we have the construction firm in place who will actually be doing the work, and so our focus at the moment is getting that firm procured as quickly as we can so that the firm, us and the key people who use the centre --

Peter Fortune AM: Yes, that is understandable.

David Bellamy (Mayor's Chief of Staff): -- can sit down and agree the plan.

Peter Fortune AM: I will let you finish and get on and do it. Thank you.

David Bellamy (Mayor's Chief of Staff): I am afraid the state of the building is such that it is more challenging than we would wish it to be.

Léonie Cooper AM: Chairman, I think there are a lot of us who would like to be updated on that because I have got my constituents writing to me as well. It is very well used --

David Bellamy (Mayor's Chief of Staff): Absolutely, yes.

Caroline Russell AM (Deputy Chair): -- and I think knowing that timetable would be very welcome.

Susan Hall AM (Chairman): Absolutely and affects many of you.

Right, given the time -- the last section was on relocation. I think you all are well aware of how all of us feel about this relocation, around the finances as well as everything else. Mary, I wrote to you asking you to share the completion timetable for the remaining works at the Crystal. I need that. We all need to know when that will be finished and when we will be in.

Equally - and I saw you just a couple of hours ago - I asked that by yesterday we had a list, day by day, of where we would be, which committee rooms we would be in between now and whenever we get into this wretched building, and what facilities we have. From what I can gather, we have meetings here next week, but we cannot use our offices, so I do not know what our staff are going to do. We will not have facilities, or will we, for printing things, for actually doing our job. The things this Mayor is doing to stop us doing our work on scrutinising is a disgrace. I want that list, please, by the end of today of where we will be and when we will be there, because I asked you for it for yesterday and all my colleagues certainly want it. We would all like to know when this wretched Crystal will be ready for us to move in properly, use our offices and be able to continue to scrutinise the Mayor. Can you guarantee you will get both of those to me by the end of the day?

Mary Harpley (Chief Officer, Greater London Authority): I will do my best, Chairman. I have just sent you and the other Group leaders the complete picture for the last week here in City Hall for Assembly meetings, which is next week, and the first week in Union Street, which is the week after, with full details of those two weeks. I will complete with the third week as soon as I can, hopefully later today.

Susan Hall AM (Chairman): Well, it is a shambles, quite frankly. This should have been worked out far better so that we at least knew where we are. None of us know what we are doing, where we are or where we are going to be, and in the meantime, we freeze in here because of the heating.

Léonie Cooper AM: Yes, have you turned the heating off because we are leaving? I am just putting my gloves on. This is ridiculous, my nails have actually gone blue, and I can see that a number of the guests who are all people from this building -- I can see that Assembly Member Pidgeon has practically put her coat on.

Susan Hall AM (Chairman): Right, OK, we are all frozen. Colleagues, can I ask all of you, please, to contact Gino [Brand, Senior Policy Advisor, Greater London Authority] with the questions that have not been answered? Thank you very much, Assembly Member Pidgeon and others for foregoing your questions, because I know we could have gone on for another hour, but I do not think our health will survive, let alone anything else. I would like to thank our guests for attending this morning and for their answers to our questions.