

GREATER LONDON AUTHORITY

Mayor's Office

Jennette Arnold OBE AM

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Date:

13 FEB 2013

Dear Jennette

Thank you for your letter of 21 November 2012 in which you invited my comments on four motions agreed by the London Assembly (Plenary) Meeting on 14 November 2012. I apologise for the delay in responding to you.

Motion 1

It is critically important that all members of the Greater London Authority (GLA) Group ensure that our treasury and banking activities continue to be carried out with banking partners that can ensure treasury activities are carried out professionally and safely.

All the banks the Group works with are selected because of the quality of the services offered in the relevant area, value for money and their credit quality as counterparties. The Group's partners for day-to-day-banking, including payments, bank accounts, custody arrangements and overdraft facilities have been selected using a competitive procurement process.

The GLA Group has dealings with most major UK banks, except for Nationwide and the Co-operative Bank. Currently, these two organisations do not offer the branch coverage or breadth of services required by the Group. Nationwide provides some corporate banking services and does meet the investment criteria of some members of the Group, but would not be able to support Transport for London (TfL) or the GLA in their capital markets programmes and, as far as I am aware, does not offer the custody arrangements required by TfL. The Co-operative Bank could not support either TfL or the GLA in their capital markets activities. In addition, its credit rating fails to meet the minimum counterparty standards of any member of the GLA Group, so no member of the Group could hold balances there without breaching their respective treasury controls. This would clearly present huge practical difficulties for day-to-day-banking.

Any future procurement of banking services has to be undertaken in compliance with relevant EU and UK legislation. When re-procuring banking services, all members of the GLA Group would be open to including an evaluation criteria relating to lending to SMEs and strengthen the evaluation measures reflecting the GLA's Responsible Procurement policy.

Motion 2 – Police numbers

I have committed to maintaining police officer numbers at or around 32,000 – 1,000 more than I inherited and the draft budget proposals for the Mayor's Office for Policing and Crime and the Metropolitan Police Service (MPS) submitted to me on 19 November 2012 include a budgeted police establishment of 31,957 by the end of 2014/15, in line with my manifesto commitment to maintain budgeted police numbers at higher levels than when I first came into office. I have also pledged to boost neighbourhood policing and the new Local Policing Models delivers an additional 2,600 police officers into neighbourhoods.

I have also pledged to maintain and, wherever possible, improve public access to the police in London. Therefore, MOPAC is currently exploring a whole range of options on how Londoners can access the police in more convenient ways.

MOPAC and the MPS are both keen to receive suggestions from the public, boroughs and local groups about how public access to the police in their area can be maintained and even improved. The MPS is developing a strategy to improve public access to the police in London and from 31 October 2012 it undertook a six-week public access consultation which allowed them to listen to community views as well as explain some of the changes they were exploring.

In addition to these local conversations facilitated by the MPS, MOPAC carried out targeted consultation regarding public access in a number of London boroughs. The Deputy Mayor for Policing and Crime met with Borough Commanders, Chief Executives and local Councillors in order to hear their views and suggestions of ways forward. Following the completion of the targeted borough consultations, the MPS submitted its revised estates strategy to MOPAC. This now forms part of the wider Police and Crime Plan, a draft of which is currently being consulted on with a final version published before 31 March 2013. Details are available of the Greater London Authority website at: <http://www.london.gov.uk/priorities/policing-and-crime/community-engagement>.

Currently, in partnership with the MPS, MOPAC are visiting every London borough to hear Londoners' views of the draft plan. The borough meetings began on 9 January 2013 and will end on 4 March 2013.

MOPAC will also be holding an additional event at City Hall on 28 February 2013 for those Londoners who were unable to attend their local borough meetings. Information on this additional event can be found at www.london.gov.uk/policingevents.

Motion 3 – Supporting Children and Young People with Diabetes

Thank you for the motion in support of Diabetes UK's campaign to raise awareness of the issues faced by children and young people with diabetes.

I join you and the Assembly in supporting the aims of this very welcome campaign.

As you will be aware, I have chaired the shadow London Health Improvement Board (LHIB) throughout the first year of its work. The Board has forged valuable partnerships between London's boroughs, the GLA, and the NHS in this important year of transition for the public health system.

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Discussions are now underway on the future of the LHIB, and the opportunities to achieve progress on key health issues for London through similar partnership working in future. I believe this could include a consideration of the possible benefits of prioritising pan-London action to support children and young people with Type 1 diabetes.

Motion 4 – Energy pricing

I share your concerns over the allegations made in November 2012 regarding energy price rigging. For your information I enclose a copy of my letter to Ed Davey - written within days of the allegations being made public - in which I supported the Government's thorough investigation into these claims. I am determined to tackle fuel poverty and ensure London receives its fair share of investment for domestic energy efficiency, leading to reduced fuel bills and warmer homes. My RE:NEW programme has delivered energy efficiency measures to over 67,000 homes in London and provided benefits checks to maximise income. My London Living Wage is a continual campaign to reflect the costs of living in the capital. Furthermore, my ambitions to deliver 25 per cent decentralised energy in London by 2025 have the potential to provide affordable energy to the capital's buildings and support an accessible, affordable and resilient energy system.

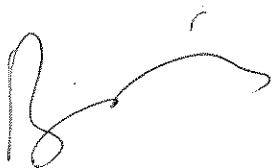
You also refer to matters arising from the question and answer session in relation to the London Legacy Development Corporation and my response on the issues of Community Land Trusts (CLTs) is below.

Community Land Trusts

The London Plan and the Mayor's Housing SPG both support and promote the principle of CLTs. The GLA is not putting direct resource into the delivery of CLTs other than on a project by project basis. For example, the development brief prepared to market the St. Clements Hospital site in the London Borough of Tower Hamlets included a requirement to deliver the affordable home ownership dwellings within the development for ownership by a CLT. This requirement is now a legal commitment in the contract with the GLA's development partner Galliford Try.

Thank you again for writing to me.

Yours ever,



Boris Johnson
Mayor of London

Enc.

14.2.17

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Rt Hon Ed Davey MP
Secretary of State
Department of Energy and Climate Change
3 Whitehall Place
London SW1A 2AW

Date: **20 NOV 2012**

Dear Ed

Allegations of Energy Price-Rigging

I am writing to express my concern at the claims of price manipulation in the energy markets. I fully support the investigation into the matter and trust it will be thorough. It is essential that regulators get to the bottom of these claims to ensure people are getting a fair deal from their energy supplier.

Wholesale energy prices could account for as much as 50 per cent of household energy bills. With the addition of a rise in the annual inflation rate to 2.7 per cent and the costs of delivering energy company obligations, which are passed to the consumer, the continuing rise of energy prices is threatening to push a number of Londoners into fuel poverty.

I am determined to tackle fuel poverty and ensure London receives its fair share of investment for domestic energy efficiency to reduce fuel bills and make London homes warmer. My RE:NEW programme has delivered energy efficiency measures to over 67,000 homes in London as well as providing benefits checks to maximise income. I have campaigned tirelessly for a London Living Wage that reflects the costs of living in the capital.

I will be responding shortly to your Department's consultation on the definition of fuel poverty. I welcome the fact that the proposed definition finally takes account of housing costs. London has the highest housing costs in the country and it has always been my position that they should be reflected in the calculation.

It is also my position that associated energy investment obligations should have a regional dimension. As you are aware, historically, London has not received a degree of investment from energy suppliers that reflects the opportunity and needs of the region. Only 5 per cent of all measures delivered under CERT were received in London, compared to the region's 12 per cent share of the population. You will be aware that London has a significant market opportunity for the Green Deal and ECO, with by far the highest number of solid walled properties of any region. Across the three ECO categories, London holds 27 per cent of the qualifying housing types or areas.

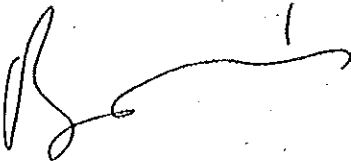
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Therefore, ensuring that the Green Deal and ECO are delivered in London will be vital to the success of the entire scheme. I understand there have been constructive discussions between our officials, and I would encourage your Department to allocate sufficient annual resources over the next three years to support London in maximising uptake of Green Deal and ECO.

Furthermore, my ambitions to deliver 25 per cent decentralised energy in the capital by 2025 have the potential to provide affordable energy to London's buildings and support an accessible, affordable and resilient energy system. I recently launched an Initiative to improve co-operation with key players in the electricity market to ensure cost-effective, sustainable and strategic planning of network requirements. With this aim, I broadly welcome the draft Energy Bill. However, it is essential that Government and Ofgem make the necessary regulatory reforms to ensure that smaller suppliers can access the energy retail market.

Your Department's support to help London deliver cost-effective and efficient energy is critical to our success. I also wish you speedy progress on the inquiry into the energy price-rigging allegations. Together, I look forward to ensuring households pay a fair price for energy.

Yours ever,

A handwritten signature in black ink, appearing to be 'Boris Johnson', with a long, sweeping horizontal stroke extending to the right.

Boris Johnson
Mayor of London