Budget Committee's response to the Mayor of London's 'GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document'

1. Introduction

1.1 On 14 December 2005, the Mayor issued his 'GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document' (the consultation draft budget) setting out his budget proposals for the GLA Group - the Greater London Authority (GLA) and the four Functional Bodies: the Metropolitan Police Authority (MPA), the London Fire and Emergency Planning Authority (LFEPA), Transport for London (TfL) and the London Development Agency (LDA).

1.2 In accordance with Section 54 of the GLA Act 1999, the London Assembly has delegated authority to the Budget Committee to act as the consultee in respect of the consultation draft budget.

1.3 Our response is informed by meetings with the Mayor in December 2005 and with external stakeholders and representatives of the Functional Bodies in January 2006. It relates to our pre-budget report[1], which set out some issues for the 2006/7 budget, and six criteria against which we would assess the consultation draft budget. The pre-budget report was based on the Mayor's 2006/7 Budget Guidance but it is not clear from the consultation draft budget what consideration the Mayor has given to this guidance.

1.4 We make comments on the extent to which we consider the criteria have been addressed and offer some further comments in relation to the individual budgets proposed for the GLA and the Functional Bodies. Over the course of our meetings, we have asked questions on a number of aspects of the 2006/7 budget and await quite a lot of detail. Some of these issues are the subject of comment in this response as we are commenting on the consultation draft budget as published. We hope our response will inform not only the Mayor's 2006/7 draft consolidated budget but his future approach to budget consultation.

1.5 The response contains the following sections:

[1] London Assembly Budget Committee's pre-budget report, November 2005

2. The Budget Committee's pre-budget criteria

2.1 The consultation draft budget has failed to address or give adequate information in relation to the six criteria in our pre-budget report. These are:

1. Additional funding for counter-terrorism should be provided by Government;
2. The draft budget should identify clearly the expenditure on the 2012 Olympic and Paralympic Games by each member of the GLA Group and what the designated council tax precept for the Games will and will not fund;
3. There should be rigorous examination of funding for major initiatives;
4. The draft budget should demonstrate increased efficiencies and savings across the GLA Group;
5. The draft budget should result in the smallest possible increase in the council tax precept; and
6. The draft budget should provide clear information on proposed expenditure and be consulted upon widely.[2]

2.2 We offer some more detailed observations in relation to each of the criteria below.

1. Additional funding for counter-terrorism should be provided by Government

2.3 It is frustrating that, to date, the Government has not indicated how much funding for counter-terrorism it will provide to the MPA for 2006/7. It is also disappointing that the Government has not, as yet, made any commitment to fund LFEPA's proposals for enhanced London Resilience at a cost of £3.3 million in 2006/7.

2.4 We remain firmly of the view that counter-terrorism and resilience work substantially relates to London's position as a capital city and should, therefore, be funded by national taxation. Although an element of counter-terrorism work will arguably be a reasonable London burden. Our focus groups showed that some Londoners felt the Government should provide funding for counter-terrorism work and that the MPA should not have to fund this by diverting money from other activities.[3] At our meeting in December, external stakeholders were unanimous in their view that Government should provide funding for counter-terrorism.

2.5 In the past, the Government has not provided adequate funding for counter-terrorism for either London's metropolitan police force or fire brigade. In our pre-budget report we highlighted that a consultant's report commissioned by the MPA and MPS (Metropolitan Police Service) identified that counter-terrorism work was under funded by between £23 million and £45 million per year. In December, the Home Secretary informed us that the Government will provide £30 million (including the interim payment of £10 million) or "approximately half the additional costs expected to be incurred…"[4] by the MPS for operations relating to the July terrorist events. Recently, the MPS has advised us that, so far, it has only had an indication from Government that £115 million of the anticipated

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[2] London Assembly Budget Committee's pre-budget report, November 2005, pages 3-4
[3] GfK NOP research on behalf of Budget Committee, October 2005, pages 20 – 21
[4] Letter from Home Secretary to Chair of Budget Committee, 22 November 2005

counter-terrorism funding of £228 million for 2006/7 will be provided and no response to its bid for additional counter-terrorism funding in 2006/7.[5] We consider this inadequate.

2.6 Whilst the Government should provide more funding, the Mayor needs to present a clear picture of what this will provide for and the implications for his budget if it is not forthcoming. He has not done this. In his foreword, the Mayor sets out that the "budget includes provision for extra investment to improve security in the capital"[6] but there is no detail of the level of this investment, what it covers and how this will better the capital's existing counter-terrorism provision.

2.7 In respect of the police, the Mayor states that he "continues to press the Government to confirm funding for extra police officers to combat the terrorist threat"[7] but does not offer an indication of how many extra police officers might be provided. It is reported that the consultation draft budget is based on the assumption of counter-terrorism grant of £228 million in 2006/7, the same level of funding in real terms as for 2005/6,[8] but it is not obvious how this is the case. You could not tell from the consultation draft budget what might be the implications if this funding was not provided.

2.8 Significantly, it is not obvious how police work on counter-terrorism relates to the proposal for full roll out of Safer Neighbourhood Teams. The Mayor has indicated that counter-terrorism funding might be used to finance the full roll out, telling us that "it is not automatically easy because this money will come ring-fenced so therefore it is going to be the skill of Sir Ian Blair [Metropolitan Police Commissioner]'s finance officers to shuffle stuff around in the budget to try and make certain they can cope with both."[9] The MPA has told us that it is not a choice between counter-terrorism and Safer Neighbourhood Teams; counter-terrorism is not an add on.[10] This should be made clear in the budget. Londoners should be given the opportunity to make informed comments about the extent to which they want to fund counter-terrorism work and/or other initiatives such as Safer Neighbourhood Teams, the relationships between such activities, and what the financial implications are, particularly if Government funding is not forthcoming.

2.9 In respect of LFEPA, the table below shows that, in recent years, Government funding has increased but never covered more than around one-fifth of expenditure on London Resilience:[11]

	2003/4 £m	**2004/5 £m**	**2005/6 £m**	**2006/7 (proposed) £m**
Expenditure on London Resilience (includes equipment, staff, training)	5.6	11.6	18.6	22.2 (includes 3.3 for the enhanced resilience)
Amount of Government grant	0.9	2.5	2.2	3.6 (6.9 if Government funds enhanced resilience)

[5] Budget Committee meeting on 10 January 2006, comments made by Keith Luck, Director of Resources, MPS
[6] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 1
[7] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 1
[8] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 5
[9] Transcript of Budget Committee meeting on 15 December 2005, page 21
[10] Budget Committee meeting on 10 January 2006, comments made by Len Duvall, AM, Chair of MPA
[11] Response from FBQT question asked by Joanne McCartney, 395/2005 and information from LFEPA

Difference to be covered from other sources	4.7	9.1	16.4	18.6 (15.3)
Gov. grant as % of expenditure	16%	22%	12%	16% (31%)

2.10 It is unacceptable that LFEPA should have to meet the full additional revenue cost of £3.3 million for enhanced resilience from reserves in 2006/7.[12] This cost, rising to £8.3 million in 2007/8 and £9.9 million in 2008/9,[13] will put pressures on LFEPA's future budgets. LFEPA has told us there are significant additional risks particular to London which justify further funding. The equipment used on 7 July, for example, was that provided by LFEPA and none of the national equipment was needed on that day.[14] We set out further comments on LFEPA's budget at section 4.

2.11 In our pre-budget report, we highlighted that TfL and the GLA had incurred costs following the July terrorist attacks. We are disappointed that there is no indication of what resources have been allocated in the budget for the proposal to strengthen London Underground assets and infrastructure against [terrorist] attack.[15]

<u>2. The draft budget should identify clearly the expenditure on the 2012 Olympic and Paralympic Games by each member of the GLA Group and what the designated council tax precept for the Games will and will not fund</u>

2.12 The consultation draft budget fails to set out clearly and simply in one place the proposed expenditure by each member of the GLA Group on the 2012 Olympic and Paralympic Games. Instead brief details are scattered throughout the document including in the foreword, in the introduction and in relation to the proposed GLA, LDA and TfL budgets. The Mayor's 2006/7 Budget Guidance asked each member of the GLA Group to address the issue of supporting the Games in its budget submission.[16] It is not apparent from the consultation draft budget how they might be doing this.

2.13 In respect of the core GLA, we reiterate our concern that not only will it be raising the council tax contribution to fund the public sector funding package (the £20 per year at council tax Band D which Londoners know about) but its budget includes further growth of £500,000 for "additional staff to support Olympics and Paralympics activity in delivering the Mayor's strategies."[17] Although the Mayor has told us "we are not going to have here [in the GLA] 50 bureaucrats monitoring what 500 bureaucrats are going to be doing in the Olympics Delivery Authority"[18] he has not presented full details of what the additional staff will be doing. He has said that he sees "no justification for any further increase in staffing

[12] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 5
[13] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 44
[14] Budget Committee meeting on 10 January 2006, comments by Ken Knight, Commissioner for Fire and Emergency Planning, LFEPA
[15] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 4
[16] Mayor's 2006/7 Budget Guidance, page 11
[17] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 14
(Schedule 3 of GLA core budget submission shows the additional Olympics staff as: 0.6 FTE in Mayor's Office Public Affairs, 0.8 FTE Senior Policy Adviser in Mayor's Office Business Planning and Regeneration, 1 FTE in Mayor's General Office – PA, 1 FTE press officer in Media and Marketing, 2 FTE senior policy officers and 1 FTE policy support officer in Policy & Partnerships and 1 FTE legal adviser in corporate services)
[18] Transcript of Budget Committee meeting on 15 December 2005, page 38

levels in the remaining six years other than those we have put in place in this most difficult start-up year [next year]."[19] We would like to see a clear case presented for the additional staff proposed for next year.

2.14 The consultation draft budget sets out proposed expenditure of £102.0 million by the LDA on "Olympic and Paralympic Land and Legacy"[20] in 2006/7 but advises that "this represents those costs to be funded from the LDA's government grant and the balance of costs will be funded by further asset disposals and prudential borrowing."[21] We recognise that there are uncertainties as to the full costs but it would be helpful to see what might be the total expenditure by the LDA on the Games next year. Londoners, aware that costs of acquiring and remediating land have already risen from £478 million to almost £1 billion, will want to know the total anticipated expenditure. They should have a breakdown of what this covers.

2.15 In 2006/7, a key deliverable for TfL is "building new links and extensions, particularly in East London to support the Olympics and Paralympics and growth in the Thames Gateway."[22] There is no indication of how much it will spend to achieve this. The Mayor has told us that he thought the "East London Line would never have happened without the Olympics."[23] His consultation draft budget fails to list this and other Olympics related TfL projects alongside details of their cost, delivery targets and how they are being funded. We recognise that some of these projects were included within TfL's business plan prior to the award of the Games but it would be useful if expenditure on these could be clearly set out in the budget.

2.16 In relation to the police, the Mayor has told us that there "will be the specific cost of managing the Games security-wise" which was covered in the bid document but also told us "do not forget the MPS has spent money on every Olympics because they send consultants, they send people to study."[24] The MPA and MPS have advised us that there will be a large expenditure in future years but there is a marginal cost in 2006/7 relating to ten existing staff in Central Operations who work on public events.[25] LFEPA has advised that while it will be undertaking building regulations work in relation to the Games in 2006/7 this should not incur costs because developers should cover them. Although the emergency services will not be spending significant amounts on the Games in 2006/7, full details should be provided in the budget so expenditure on the Games across the GLA Group is transparent.

2.17 Londoners will have in mind that the public sector funding package for the Games requires up to £550 million from council tax for 10 years rising to £625 million over 12 years. Or £55 million for the first ten years and £37.5 million for two further years. The consultation draft budget sets out that the Mayor's intention is to raise the council tax contribution through £20 a year at council tax band D and, as there are 2.86 million Band D equivalent

[19] Transcript of Budget Committee meeting on 15 December 2005, page 44
[20] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 24
[21] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 23
[22] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 17
[23] Transcript of Budget Committee meeting on 15 December 2005, page 38
[24] Transcript of Budget Committee meeting on 15 December 2005, page 40
[25] Budget Committee meeting on 10 January 2006, comments by Len Duvall, AM, Chair of MPA and Keith Luck, Director of Resources, MPS

households, so £57.2 million is to be raised in 2006/7.[26] The difference between £55 million or £57.2 million a year - £2.2 million – might suggest that an additional £22 million will be raised in the first ten years then previously indicated. Changes to property values and numbers of properties will impact on the collection rate but the budget should explain this increase clearly to avoid any misunderstanding. Previously we have expressed our concerns that future council tax bills will provide incomplete information on the precept increase to fund the Games. The Mayor should do more, including in his budget documents, to address this. He could start by setting out the annual amount for each Council tax band. Londoners will want to know that whilst it might be £20 at Band D it doubles to £40 at Band H.[27]

2.18 In the foreword, the Mayor refers to the funding package overall for the Games as "a first class deal for Londoners"[28] but provides insufficient evidence to justify this claim. He mentions that for "every £1 contributed by Londoners there will be an additional £3 of investment from the National Lottery." [29] In our pre-budget report, we highlighted inevitable uncertainties with the Lottery funding including that the amount to be raised in 2005 had already been revised downwards from the original estimate. The Mayor states the IOC (International Olympics Committee) will be a major contributor to the Games of some £700 million and "much of this budget will be spent on goods and services."[30] It is not set out what these goods and services might be.

2.19 Our focus groups showed that the level of support for the Games depended on whether or not people could see benefits.[31] The consultation draft budget fails to identify the long-term benefits in any detail. The Mayor states that the economic benefits of the Games will impact on all of London but does not explain what they are. He refers to Pricewaterhouse Coopers' Olympic and Paralympic Impact Study estimating that the Games will create an additional 38,000 full-time equivalent jobs.[32] He does not say what these jobs might be and whether they can be targeted to be filled by Londoners.

<u>3. There should be rigorous examination of funding for major initiatives</u>

2.20 The consultation draft budget fails to demonstrate that there has been rigorous examination of funding for major initiatives. The changes to the total GLA Group budget requirement include growth of £710.3 million (£87.3 million for existing services and programmes and £367.6 million for new initiatives) - almost three times the proposed level of savings (£252.3 million).[33] The Mayor does not advise the extent to which he has examined the need for such growth and the criteria, if any, he has applied to testing the funding for his budget proposals. At our meeting with external stakeholders, representatives of the London Boroughs commented that value for money was not apparent in the budget.

[26] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 15
[27] Letter from Executive Director of Finance and Performance GLA to Chair of Budget Committee, 19 December 2005
[28] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 1
[29] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 1
[30] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 1
[31] GfK NOP research on behalf of Budget Committee, October 2005, page 10
[32] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 1
[33] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 4

2.21 There is insufficient information on many major initiatives. You cannot, for example, identify from the consultation draft budget what TfL will spend on the congestion charging scheme in 2006/7 or what the LDA might spend on representative offices in Beijing and Shanghai. Whilst a breakdown of growth in existing services and new initiatives for the MPA, TfL and LFEPA[34] has been provided, there is no such information for the GLA and LDA. Where details of growth in existing services or new initiatives are set out, this is against single budget lines. There is no accompanying text, however brief, to explain what, for example, might be covered by proposed growth in the MPA budget of £4 million for "Tasking" or £1.4 million for "modernising operations". Similarly, in the case of the TfL budget, there is growth of £22 million for "Strategy" and £17 million for "TPED expenditure" but no explanation of what these are. We recognise that there are limits on the level of detail that can be provided in a document covering a £9 billion budget but Londoners are entitled to more than cursory one word descriptions of multi-million pound budgets.

2.22 We are disappointed that no attempt has been made to explain how performance against 2005/6 budget deliverables at Appendix A of the consultation draft budget has been taken into account in forming this budget. We would like the Mayor to explain more specifically how he has taken account of current and past performance in forming his budget proposals. Much of the information contained at Appendix A suggests good performance across the GLA Group on various initiatives. It might, therefore, be assumed that there is scope for at least change in expenditure on these activities next year. You would not be able to assess if this was the case from the consultation draft budget. Nor could you identify how expenditure has been altered to take account of below target performance. In quarter 2 2005/6, for example, LFEPA reported that injuries arising from accidental fires in dwellings had increased to 223 compared to 167 in quarter 2 2004/5 (34% increase).[35] It was also below target for ensuring the arrival of the first appliance within five minutes (62% compared to 65% target).[36] Londoners will want to know how resources in the proposed budget will address such performance.

4. The draft budget should demonstrate increased efficiencies and savings across the GLA Group

2.23 In his foreword to the consultation draft budget, the Mayor advises that "I have encouraged a vigorous pursuit of savings and efficiencies. This year's budget plans include £252 million of reductions across the GLA Group which do not impact on the provision of front line services."[37] In his 2006/7 Budget Guidance, the Mayor asked members of the GLA Group to provide budget submissions which "demonstrate that there has been a rigorous pursuit of efficiencies in existing services and structures."[38] The difference between "vigorous" and "rigorous" might be a question of semantics but we wanted evidence of both an active and accurate identification of savings and efficiencies.

[34] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, pages 42,43, 44, 45, 46 and 47
[35] Report to Budget Monitoring Sub-Committee, Functional Bodies' quarterly monitoring report – April to September 2005, page 27
[36] Report to Budget Monitoring Sub-Committee, Functional Bodies' quarterly monitoring report – April to September 2005, page 28
[37] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 2
[38] Mayor's Budget Guidance 2006/7, page 21

2.24 This is not provided in the consultation draft budget. The level of cash savings proposed for each member of the GLA Group in 2006/7 as a percentage of gross expenditure is not significantly different to previous years (apart from for TfL) as shown below[39]:

	2001/2	**2002/3**	**2003/4**	**2004/5**	**2005/6**	**2006/7 forecast**
MPA	0.8%	2.5%	1.0%	2.2%	2.3%	2.1%
LFEPA	0.2%	0.6%	0.5%	0.5%	1.7%	1.7%
TfL	1.2%	-	0.3%	0.8%	0.8%	2.9%
GLA	1.5%	3.3%	2.4%	2.6%	0.7%	0.6%
LDA	0%	0%	0.1%	0%	1.3%	0.9%

2.25 The consultation draft budget does not contain a clear definition of what is meant by savings and efficiencies nor, in the case of the GLA and LDA, the breakdown of any proposals for savings. At our meeting with external stakeholders, representatives of London Boroughs commented on the lack of savings targets and difficulty identifying where savings will come from.[40]

2.26 It should be made clearer how the level of savings proposed relates to past performance in achieving savings. It is disingenuous to say the £67.1 million of savings proposed for the MPA is in addition to £250 million of savings included in the budget over the last five years[41] but not mention that the MPA has failed to meet the savings target identified for each of its last five budgets. In respect of the LDA, it has not, as the Mayor requested, increased the proportion of its total budget allocated to direct programme expenditure. In 2003/4, the LDA spent 94% of its total expenditure on programmes[42], in 2004/5 93%[43] and in 2005/6, it is forecast to spend 93%. The LDA has told us that whilst it is working to a savings target of 3.6% in 2006/7, it has got to be realistic about the current pressures on the agency. The budget should set out how this has been taken into account with the savings targets proposed.

2.27 The Mayor has said that the most interesting thing he found in our pre-budget report was our comments on realising further cross-GLA Group savings. He told us he thought it would be a very good time over the next year to look at building into the budget real savings from economies of scale and suggested that the number of senior legal advisers, Human Resources, procurement and the interface with Government were areas, which could be looked at.[44] However, both the MPA and LFEPA have advised of tensions in realising cross-GLA Group working when they are also being asked by Government to increase efficiencies through joint work nationally with other police and fire services.

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[39] Figures drawn from published budgets. Please note Gershon type targets are not against gross expenditure and include all savings (cash and non-cash).
[40] Budget Committee meeting on 5 January 2006, comments made by Councillor Merrick Cockell, Leader of Royal Borough of Kensington & Chelsea and Councillor Ashley Lumsden, London Borough of Lambeth
[41] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 9
[42] Quarter 4 2003/4 performance information for LDA as reported to Budget Committee meeting on 14 July 2004, item 6, page 31
[43] Quarter 4 2004/5 performance information for LDA as reported to Budget Monitoring Sub-Committee meeting on 7 July 2005, item 5, page 40
[44] Transcript of Budget Committee meeting on 15 December 2005

5. The draft budget should result in the smallest possible increase in the council tax precept

2.28 That the consultation draft budget does not reflect fully the Mayor's thinking on the proposed increase in the council tax precept for 2006/7 is not open and transparent and not conducive to useful consultation [as well as being frankly insulting to Londoners]. In making this point we are well aware of the difficulties as to counter-terrorism funding; they do not negate the point. The Mayor issued the consultation draft budget with a proposed increase in the precept of 16.6% (7.8% for the Olympics Funding agreement and a further 8.8% for other growth) but just one day later indicated that it was out of date. He told us that he is working towards a maximum increase of 5.5% on the non-Olympics element resulting in an overall increase around 13.5%.[45] He also stated that if he had "had half a day [more he would have] gone through and made the changes which would have reflected a 13.5% increase."[46]

2.29 We question the value of the Mayor publishing a consultation draft budget with a precept increase, which he indicates will change but will not say how. The consultation draft budget should have made clear that this is the case. It should also refer clearly to a 16.6% increase in the precept instead of referring misleadingly to "an increase of 3.6 per cent in the average total council tax bill."[47]

2.30 It is not obvious how the 16.6% increase in the precept relates to the Mayor's previous comments that he was "aware that the council tax is as high as most probably in real terms people can really bear and you want to bear down that."[48] It also suggests a complete disregard for his own 2006/7 Budget Guidance, which asked each member of the GLA Group to identify budget proposals resulting in an increase of 5.5%. There is no indication of how it fits in with the Government urging councils to ensure average council tax increases in the next two years of less than 5%. The Government has warned that capping action will be taken against excessive increases. It is, of course, understood that a percentage increase in the precept has a diluted effect on total council tax bills as it forms only a proportion of the total council tax. It is also recognised that uncertainties about Government funding at this stage lead to greater uncertainty than is reasonable.

2.31 In the past London Borough representatives have told us that they wished the Mayor would stop proposing a high level of council tax precept at this stage in the budget setting process only to work down from that level. This was not how other, well-run, authorities operated. At our meeting with external stakeholders, London Borough representatives were honest that, in an election year, they did not want to pass on to their constituents a 16.6% increase or what amounts to a 140% increase in the precept since the Mayor took office.[49] Irrespective of views about the limits on council tax, the Mayor has told us that based on what he knows about existing budgets, and with a very big "health warning", there could be an increase in the precept of about 7.8% in 2007/8.[50] We urge that details

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[45] Transcript of Budget Committee meeting on 15 December 2005, page 6
[46] Transcript of Budget Committee meeting on 15 December 2005, page 51
[47] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 2
[48] Transcript of Mayor's Question Time (MQT) on 16 November 2005, page 3
[49] Budget Committee meeting on 5 January 2006, comments made by Councillor Merrick Cockell, Leader of Royal Borough of Kensington & Chelsea and Councillor Ashley Lumsden, London Borough of Lambeth
[50] Transcript of Budget Committee meeting on 15 December 2005, page 46

of this are included in the 2006/7 budget in line with the Government's request for indicative future council taxes to be published. The budget should also set out why such an increase is considered necessary at this stage particularly as it excludes the £57.2 million for the Olympics Funding Agreement, which will be built into the base budget.

2.32 We recognise that it is not just the council tax precept that funds the budget. Londoners make a huge contribution through fares and charges and we offer some comments on this at section 6. In addition, Government grants are important and Londoners will want assurances that the Mayor has secured as much as he can from Government. In respect of the composition of the budget the Mayor has told the Assembly that "in many senses, although we have these great debates about the 7% [the council tax precept], the most important element is the debate I have with Government about the 60% [grants] and then the huge chunk in the middle, which is our fares strategy. A budget where only 7% is Council Tax does not determine the outcome of where we are going; it is the negotiations with Government."[51] In light of this it is disappointing that the grants settlements announced in December propose just a 1.5% increase in grant formula for LFEPA and a 1% increase in the GLA's grant though substantial increases elsewhere. In recent years, as shown below, there has been little change in the percentage of gross expenditure funded by Government:

	2003/4	**2004/5**	**2005/6**	**2006/7 forecast**
MPA	73.4%	70%	69.1%	68.5%
TfL	57.6%	44.1%	42.7%	44.1%
LFEPA	64.3%	63.8%	63.1%	59.3%
GLA	53.8%	49.5%	54.5%	48.8%*
LDA	100%	100%	100%	100%
GLA Group	65.5%	55.7%	55.3%	55.5%

*excludes Olympics Funding Agreement

<u>6. The draft budget should provide clear information on proposed expenditure and be consulted upon widely</u>

2.33 At our meeting on 15 December 2005, the Mayor said that he believed that "to produce a budget with detailed figures in at this stage is … virtually meaningless." He also stated that "I have to produce them [consultation budgets] by law. I would not do so if it was left to me."[52]

2.34 Such comments demonstrate a disregard for what Londoners might think about a budget to which they are being asked to contribute nearly £1 billion through council tax and much more through fares and charges. In his 2006/7 Budget Guidance, the Mayor asked all members of the GLA Group to address the issue of providing meaningful performance information to the London public (including through The Londoner) so that Londoners understand what they are getting for their investment.[53] The consultation draft budget should offer an opportunity to provide meaningful budgetary information to Londoners.

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[51] Transcript of Mayor's Question Time on 16 November 2005, page 5
[52] Transcript of Budget Committee meeting on 15 December 2005, page 7
[53] Mayor's Budget Guidance 2006/7, page 11

2.35 We acknowledge the timing difficulties and limitations presented by the statutory framework but consider that the consultation draft budget could be made more meaningful. We suggest that where there are unknowns and various options being considered that these are spelt out clearly so that people can contribute useful comments. We also consider that there is scope to improve the level of consultation outside the budget setting process. At our meeting with external stakeholders, there were expressions of interest for more engagement on the budget throughout the year. There were positive comments about consultation undertaken by other members of the GLA Group – notably the LDA in relation to the Economic Development Strategy.[54]

2.36 In the Government's code of practice on consultation, the Prime Minister states that "effective consultation is a key part of the policy-making process. People's views can help shape policy developments and set the agenda for better public services." The code contains six criteria for effective consultation. It suggests consulting widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy. It also recommends being clear about what your proposals are, who may be affected, what questions are being asked and ensure the consultation is clear and concise.[55] The code is not wholly irrelevant to the annual budget consultation.

2.37 The current review of GLA powers might result in the development of the Assembly's role on consultation. We will want meaningful consultation. We, therefore, offer the following suggestions to the Mayor for how he might improve his budget consultation in the future:

- Set out in detail the budgetary uncertainties and the options being considered;
- Invite respondees to answer specific questions in relation to budget proposals;
- Ensure consistent presentation of budgetary information across the GLA Group with breakdowns of growth in existing services, new initiatives and savings and efficiencies for all;
- Give details of what is meant by terms such as "savings and efficiencies";
- Show what consideration has been given to current and past performance against deliverables and the proposed allocation of budget;
- Avoid obscure headings for budget lines and provide a brief description of each including an explanation for any significant (above inflation) changes; and
- Include targets and the amount of resources allocated to each key deliverable/budget proposal.

[54] Budget Committee meeting on 5 January 2006, comments made by Matt Dykes, Policy Officer SERTUC and Andrew Wakefield, Chair, London Civic Forum
[55] Cabinet Office, Better Regulation Executive, Code of Practice on Consultation

3. Metropolitan Police Authority (MPA)

Safer Neighbourhood Teams

3.1 There is widespread support for Safer Neighbourhood Teams. However, the consultation draft budget does not set out clearly what assessment has been made of the value for money of the proposed full roll out of Safer Neighbourhood Teams in 2006/7. Londoners who are being asked to contribute £31.8 million through the precept to fund the full roll will want to have clear evidence of the Teams' success. The contribution from the council tax is the equivalent of over a quarter (26%) of the proposed rise in the precept.[56] In 2007/8, the potential call on the precept to fund the full roll out could rise by 84% to £58.8 million.[57]

3.2 The Mayor states that these teams are "a major success story for London and the programme is a model being replicated across the world." He also suggests that "where teams are already operating, Londoners are happier with the way their neighbourhood is policed than those living in the non-Safer Neighbourhood areas." He offers the falling crime rate in Tower Hamlets as an example of success.[58]

3.3 However, there is some evidence to suggest the impact of Safer Neighbourhood Teams is mixed. In a comparison of April to September 2005/6 to April to September 2004/5, burglary has increased by 5% in Safer Neighbourhood (SN) areas and 5% in non SN areas; drug offences have increased by 30% in SN areas and 20% in non SN areas; robbery has increased by 18% in SN areas and 16% in non SN areas and sexual offences have increased by 9% in SN areas and 5% in non SN areas.[59] We acknowledge that the objective of Safer Neighbourhood Teams is to reduce fear of crime but evidence should be provided to show this is happening. Our focus groups revealed that some people felt that there are not enough police to make them feel safe and questioned the value of Police Community Support Officers who could not make arrests.[60] At our meeting with external stakeholders, a view was expressed that it was not a good idea to bring forward the roll out into one year. There were key communities who were not aware of Safer Neighbourhood Teams and further evidence was required of their impact.[61]

3.4 The consultation draft budget fails to explain why a full roll out in one year rather than in two years represents value for money. Insufficient evidence has been provided on the current performance of the Safer Neighbourhood Teams. The findings for example of the MPS's large scale evaluation of the impact of Safer Neighbourhoods including a panel survey of residents in 23 wards, surveys of Safer Neighbourhood Teams and interviews with local community members[62] are not yet available. The MPS has advised of two evaluations, which demonstrate positive results on crime including a national assessment of Safer

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[56] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 5
[57] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 9
[58] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 2
[59] Report to Budget Monitoring Sub-Committee meeting on 14 December 2005, Functional Bodies' quarterly monitoring report April to September 2005, page 10
[60] GfK NOP research on behalf of Budget Committee, October 2005, page 19
[61] Budget Committee meeting on 5 January 2006, comments made by representatives of London Civic Forum
[62] Report to Budget Monitoring Sub-Committee meeting on 14 December 2005, Functional Bodies' quarterly monitoring report April to September 2005, page 10

Neighbourhood Teams but told us it did not know what might happen to crime if there was a full roll out. [63] The MPA said it "is a risk worth taking on the evidence we have got." The Mayor should share the evidence with Londoners. We suggest that there should also be a programme of independent appraisal to assess the impact of Safer Neighbourhood Teams.

3.5 A clear explanation is required for how the full roll out impacts on the police budget. The MPA has told us it is not a question of "robbing Peter to pay Paul".[64] Yet we have earlier highlighted that the Mayor indicated a use of counter-terrorism funding to off set the costs of the full roll out (which of course raises the issues of the use of ring-fenced funding). The consultation draft budget sets out proposed reductions in budgets for specialist operations (down 5% from 2005/6) and territorial policing (down 3% from 2005/6)[65] but no clear explanation for these decreases. Londoners may be aware of recent increases in violent crime. In quarter 2 2005/6, for example, reported robbery was up 19%, murder up 29% and gun enabled crime up 15% compared to quarter 2 2004/5.[66] They will want to know how the police budget has been framed to address such developments.

3.6 The consultation draft budget sets out that "every neighbourhood will have a team of at least six officers – 1 sergeant, 2 constables and 3 police community support officers."[67] However, the MPA has told us that the teams will be phased in with a minimum level of four staff in April.[68] The MPS has advised that the teams will carry a vacancy of one police constable and one police community support officer which will be filled over the course of the year and that will be how it manages the budget.[69] This could be a risk. The quality of the initiative could suffer if teams are not fully staffed. The MPS has advised us that six officers is the minimum level required for visibility – less than six and the teams are invisible. There is no guarantee of recruiting sufficient numbers of officers. The MPS has also told us that officers have previously been reluctant to join Safer Neighbourhood Teams and there will be a need for management to lead on the initiative. [70]

3.7 The full roll out of Safer Neighbourhood Teams is part of the wider Service Review but this is not explained in the consultation draft budget. It is not apparent how changes in the organisation of the MPS resulting from the Service Review might reduce the burden on London's council taxpayers to fund Safer Neighbourhood Teams and improve policing overall. The Mayor's Budget Guidance for 2006/7 asked the MPA to demonstrate how the Service Review would deliver £300 million to front line policing. This is not addressed in the consultation draft budget. The Mayor has told us that he did not anticipate that the Service Review would deliver £300 million to front line policing because it is a huge exercise and there will be resistance to the scale of changes proposed.[71] The MPA has told us the impact from the Service Review will be over a number of years.[72]

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[63] Budget Committee meeting on 10 January 2006, comments made by Assistant Commissioner Tim Godwin, MPS
[64] Budget Committee meeting on 10 January 2006, comments made by Len Duvall, AM, Chair of MPA
[65] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 8
[66] Report to Budget Monitoring Sub-Committee meeting on 14 December 2005, Functional Bodies' quarterly monitoring report April to September 2005, page 11
[67] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 3
[68] Budget Committee meeting on 10 January 2006, comments made by Len Duvall, AM, Chair of MPA
[69] Budget Committee meeting on 10 January 2006, comments made by Assistant Commissioner, Tim Godwin, MPS
[70] Budget Committee meeting on 10 January 2006, comments made by Assistant Commissioner, Tim Godwin, MPS
[71] Transcript of Budget Committee meeting on 15 December 2005, page 23
[72] Budget Committee meeting on 10 January 2006, comments made by Len Duvall, AM, Chair of MPA

4. London Fire and Emergency Planning Authority (LFEPA)

Budget requirement

4.1 The consultation draft budget does not set out clearly the potential long-term implications if LFEPA has to deliver its budget proposals for less money and offset its call on the council tax precept by the use of a significantly higher level of reserves in 2006/7.

4.2 The proposed budget requirement for LFEPA is £381.0 million.[73] This is £11.5 million or 3% less than that sought in LFEPA's budget submission (£392.5 million).[74] It is also £6.8 million or 1.3% less than the level, which the Mayor had previously indicated to LFEPA as the proposed amount for its 2006/7 budget (£385.7 million). It represents a 5.5% call on the precept. LFEPA has now told us it has plans to reduce its call on the precept to 4.3%.[75]

4.3 We acknowledge that, as the Mayor has indicated to LFEPA, there is greater scope for the use of its reserves since between 2001/2 and 2004/5 budget decisions were based on LFEPA drawing £15 million from reserves whereas it actually contributed £26 million to reserves. However, the proposed draw on reserves of £25.4 million in 2006/7 represents an almost five-fold increase in the planned use of reserves in 2005/6 (£5.2 million).[76]

4.4 This is suggested alongside the 2006/7 provisional grant settlement, which could result in a one-off reduction of £7 million in Government funding which LFEPA has not anticipated. As highlighted in section 2, LFEPA is also facing increased costs to cover enhanced London Resilience. It has told us that its big issue is its increase in the call on the precept in 2007/8, which it has forecast at 15.1%. It has also indicated that it will not be able to replenish its general reserve to the baseline level for three years.

[73] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 49
[74] LFEPA 2006/7 Budget submission, page 1
[75] Budget Committee meeting on 10 January 2006, comments made by Valerie Shawcross, AM, Chair of LFEPA
[76] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 11

5. Greater London Authority (GLA)

Growth in the budget

5.1 The consultation draft budget does not make a sufficient case for why the GLA should have a 14.9% increase in its precept in 2006/7 excluding the Olympics funding agreement. This is almost three times the 5.5% target included in the Mayor's Budget Guidance.

5.2 We have already highlighted our doubts about the need for all the additional Olympics related staff in section 2. On the basis of previous performance, Londoners might also question the need for growth of £2.3 million.[77] There is proposed growth in the Mayor's office of £600,000 and in Policy and Partnerships of £700,000[78] yet these have underspent in previous years. In 2003/4, there were underspends of £808,000 and £2.559 million[79] respectively, and in 2004/5 underspends of £788,000 and £618,000 respectively.[80] An overall underspend by the GLA of £870,000 in 2004/5 led to the creation of a reserve for new initiatives.

5.3 The consultation draft budget gives an incomplete picture as to what the proposed GLA budget will be spent on. The Mayor's 2006/7 Budget Guidance asked the GLA to address issues in relation to the London Plan, the Mayor's environmental objectives and the staging of cultural events.[81] However the proposed GLA budget has been framed to provide resources for GLA activities in areas such as expanding and improving transport provision in London and improving public safety.[82] Londoners might legitimately question how far such work overlaps with that of TfL and the MPS. The failure to include breakdowns of growth in new and existing initiatives makes this difficult to assess. In previous years, we have highlighted our concerns about the value for money of funding such activities as the London Portal and The Londoner.

5.4 The Mayor has told us that as the headquarters of a £9 billion organisation the GLA is "remarkably slim-line."[83] We consider that more can be done to justify this claim. We feel that growth proposals should be re-examined and further savings identified. We believe there is scope to use reserves to offset the call on the council tax precept. In 2005/6, £400,000 was drawn from the General Fund for that purpose.

Sustainable Development

5.5 We are disappointed that the consultation draft budget fails to contain any references to the sustainable development budget process. We are keen to see this integrated into the main budget process. Londoners should be able to identify how the GLA Group is performing against a common set of criteria such as the London Sustainable Development Commission's Quality of Life Indicators.

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77 GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 14
78 GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 14
79 GLA 2003/4 Financial Year Outturn, Appendix A
80 GLA Budget and Business Plan Performance Monitoring Report (1 April 2004 to 31 March 2005), page 13
81 Mayor's 2006/7 Budget Guidance, page 13
82 GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 13
83 Transcript of Budget Committee meeting on 15 December 2005, page 15

6. Transport for London (TfL)

6.1 The consultation draft budget does not provide an explanation for why it is necessary for TfL to increase its call on the council tax precept from £20 million to £21 million in 2006/7.[84] Londoners, already contributing significantly to the budget through fares and charges, will want to know why such additional funding is necessary. They will also want to know what tests are being applied to assess the necessity for the proposed year on year increase in the precept between 2005/6 and 2009/10 – an overall 25% increase from £20 million in 2005/6 to a proposed £25 million in 2009/10.[85]

6.2 TfL has told us that we need to see the call on the precept as part of a balanced budget and that it would be concerned that future capping or other unexpected events might bar it from recapturing these funds at a later date. Nevertheless, we suggest that there is scope for the balance in the budget to shift to reduce TfL's call on the council tax precept. The estimates for fares income and operational costs could be re-examined. The extent to which revenue contributes funding for capital spending could be looked at given the growth in the level of borrowing. We also suggest there might be scope to bring forward the proposed use of £51 million of reserves in 2008/9.[86]

Fares income

6.3 The Mayor told us in December that the last set of fares figures was disturbingly down after a trend that had been picking up after the 7 July and that if it continued it could impact on TfL's budget.[87] We recognise that fares income may be vulnerable due to economic conditions and unexpected events but are disappointed that how this might be the case is not fully explained in the consultation draft budget. Instead, whilst TfL's overall income is forecast to be below budget by £8 million in 2005/6 (£2,811 million compared to £2,819 million), Tube and congestion charging income is forecast to be above budget by 2% and 6% respectively, and bus network income to be on budget. TfL has now told us that bus income is £23 million less than forecast for 2005/6 (but should reach the forecast amount by the year-end) and Tube income is £31 million above budget. It has also said it would want to review the impact of 2006 fare changes before adjusting its 2006/7 budget.

6.4 There is a need to make clear the rationale behind the fares and charges forecast. There are significant increases in income forecast for future years in the consultation draft budget, which have not been explained. Between 2006/7 and 2009/10, overall income is shown to rise year on year by 9.9%, 5% and 4%. There are rises of 7.8% for Tube income, 9.3% for bus network income and 31.5% for congestion charging income between 2006/7 and 2007/8.[88] We have requested details of fares modeling which have not yet been received.

6.5 Our pre-budget report highlighted our concerns about the impact of the 2006 fares package with its emphasis on the use of Oyster cards and significant increases in cash fares

[84] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 19
[85] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 19
[86] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 21
[87] Transcript of Budget Committee meeting on 15 December 2005, page 5
[88] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 19

on the Tube and buses. Our focus groups revealed that people might not take advantage of the Oyster card because they did not understand how it worked. Participants were also concerned about the impact of the fares package on tourists and casual visitors to London. The Mayor has told us that an analysis of who pays fares in what form had been undertaken. He stated that this shows the burden of cash fares falls disproportionately on the rich and that poor people very rapidly work out the cheapest way of paying. At our meeting with external stakeholders, there were comments that the evidence base for this suggestion was required. There were comments that poorer people may not be able to and/or have the mindset to raise sufficient funds to pay in advance for traveling on the Tube and buses.[89] We are disappointed that details of the fares analysis which we have requested have, as yet, not been provided.

6.6 In his foreword to the consultation draft budget, the Mayor reports that the proposed 2006/7 budget includes "a doubling of funding for travel demand management – the use of non-pricing measures to influence travel choices and behaviour."[90] London Travel Watch has advised us of its support for travel demand management which it believes could demonstrate high cost recovery rates.[91] We are interested to see how this, rather than fares policy, might encourage more people to use the Tube and buses. TfL has told us that research suggests there could be significant benefits with increases in people on the transport system or walking or cycling.

TfL's operating and capital spending

6.7 The consultation draft budget shows a forecast underspend on overall operating costs of £24 million in 2005/6 (£4,917 million against an original budget of £4,941 million) but a proposed increase in operating costs of £254 million in 2006/7 (a budget of £5,195 million). There are forecast underestimates in operating costs for London Underground (1%) and Surface Transport (0.5%) yet both budgets have been increased for next year by 7% and 5.3% respectively.[92] We are disappointed that the consultation draft budget does not set out clearly why increases above inflation are necessary in operating costs if underspends are forecast for this year. TfL has told us that a large number of operating costs are fixed. Yet these are dependent on the performance of the Infracos which has been mixed in 2005/6.

6.8 The consultation draft budget sets out that TfL's spend on capital projects in 2006/7 is funded from government grants, revenue contributions, borrowing, third party contributions and transfers from earmarked reserves.[93] In the 2005/6 budget, capital spending of £1,784 million was forecast for 2006/7.[94] This has now been revised down to £922 million[95] (a 48% decrease) yet the level of prudential borrowing proposed has risen

[89] Budget Committee meeting on 5 January 2006, comments made by representatives of the Federation of Small Businesses
[90] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 2
[91] Letter to the Budget Committee from John Cartledge, Deputy Chief Executive, London Travel Watch, 31 October 2005
[92] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 19
[93] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 29
[94] GLA Consolidated and Component Budgets for 2005/6, page 31
[95] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 30

from £550 million in 2005/6 to £604 million in 2006/7[96] – a 9.8% increase. This suggests that the level at which revenue funds the capital spending programme could be reconsidered. TfL has told us that there is not quite the link between borrowing and capital spending as in previous years.[97] Our focus groups revealed that Londoners welcomed improvements made to the transport system.[98] However, they might not be happy to pay over the odds for these improvements through both fares and council tax contributions.

[96] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 19
[97] Budget Committee meeting on 10 January 2006, comments made by Stephen Critchley, Chief Finance Officer, TfL
[98] GfK NOP research on behalf of Budget Committee, October 2005, page 15

7. London Development Agency (LDA)

Non-Olympics work

7.1 The consultation draft budget does not explain fully the implications for other parts of the LDA's programme budget of proposed expenditure on "Olympic and Paralympic Land and Legacy" of £102.0 million in 2006/7. This is 31.6% more than will be spent in 2005/6 and is proposed alongside an overall decrease in programme expenditure of 2.9%.[99] There should be clearer information on what such a change means for the LDA's non-Olympics work.

7.2 At an Assembly meeting in December, the LDA agreed to provide details of its repriotising of programmes and the projects affected but also suggested that this would be apparent through the Mayor's consultation on the draft budget.[100] It is not. The LDA has told us the focus of reprioritisation has been strategic with a higher priority in the budget for skills. This should be fully explained in the budget. The LDA's budgets for "Developing London's areas and sectors", "Thames Gateway and Estate Management" and "London's Marketing and Promotion" are shown to decrease by 37%, 16% and 17% respectively in 2006/7[101] but there are no details of the implications of such changes. These are significant alterations that must impact on existing projects and initiatives but you would not be able to tell how from the consultation draft budget.

7.3 This is demonstrated by the proposed budget for "London's Marketing and Promotion." It is shown to decrease from £47.8 million in 2005/6 to £39.9 million in 2006/7.[102] Yet, at Appendix A of the consultation draft budget, it is reported that the terrorist attacks in July 2005 appear to have resulted in, at least in the short term, an adverse impact on tourism. There was a 2% decrease both in the number of visitors to Britain and their spend in August and September 2005 compared to the same period in 2004.[103] This might suggest that the budget for "London's Marketing and Promotion" should increase. In fact, the LDA has told us that there will be growth in the budget including an increase of £5.5 million for "Brand London" project and that much of the decrease is accounted for by reductions in the contractual payments in relation to Wembley. This should be made clear in the budget. There should also be a breakdown of growth in existing services and expenditure on new initiatives by the LDA. We want assurances that, despite its reprioritisation of budgets, the LDA will be delivering projects across the whole of London in 2006/7 and not just in east London where the 2012 Olympic and Paralympic Games will be held.

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[99] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 24
[100] Transcript of Assembly Plenary meeting on 7 December 2005, pages 9 and 10
[101] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 24
[102] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 24
[103] GLA Group Budget Proposals and Precepts 2006/7 – Consultation Document, page 40

Appendix - The Budget Committee and its meetings (December 2005 to January 2006)

Members of the Budget Committee are: Sally Hamwee - Chairman (Liberal Democrat), Andrew Pelling - Deputy Chair (Conservative), John Biggs (Labour), Bob Blackman (Conservative), Damian Hockney (One London), Jenny Jones (Green), Joanne McCartney (Labour), Bob Neill (Conservative) and Mike Tuffrey (Liberal Democrat).

The main items considered at meetings and those who attended are set out below. Agendas, minutes and transcripts are available at: www.london.gov.uk/assembly/budgmtgs/index.jsp

<u>15 December 2005: Budget Committee</u>

Consultation draft budget 2006/7 – discussion with the Mayor

- Ken Livingstone, Mayor of London;
- Anne McMeel, Executive Director of Finance & Performance, GLA; and
- Martin Clarke, Head of Strategic Finance & Performance, GLA.

<u>5 January 2006: Budget Committee</u>

Consultation draft budget – discussion with external stakeholders

- Councillor Merrick Cockell (Conservative), Leader of Royal Borough of Kensington & Chelsea and member of Association of London Government (ALG) Leaders' Committee;
- Councillor Ashley Lumsden (Liberal Democrat), London Borough of Lambeth and Deputy Chair of ALG Grants Committee;
- Andrew Wakefield, Chair, and Marian Larragy, Policy Participation Co-ordinator, London Civic Forum;
- Matt Dykes, Policy Officer for London, Southern and Eastern Region Trades Union Congress;
- Richard Morse, Chair, and Nick Winch, Policy Officer, London Policy Unit, Federation of Small Businesses; and
- Anne McMeel, Executive Director of Finance & Performance, GLA.

<u>10 January 2006: Budget Committee</u>

Consultation draft budget – discussion with Functional Bodies

- Len Duvall AM, Chair of the MPA, Tim Godwin, Assistant Police Commissioner- Territorial Policing, Keith Luck, Director of Resources, MPS and Ken Hunt,Treasurer, MPA;
- Jay Walder, Managing Director of Finance & Planning, and Stephen Critchley, Chief Finance Officer, TfL;
- Valerie Shawcross AM, Chair, Ken Knight, Commissioner for Fire and Emergency Planning, Barbara Riddell, Director of Resources and Colm O'Callaghan, Head of Finance, LFEPA;
- Manny Lewis, Chief Executive, John Biskupski, Executive Director of Equalities and Resources, and Jonathan Kalemera, Director of Finance, LDA; and
- Anne McMeel, Executive Director of Finance & Performance, GLA.