

MAYOR OF LONDON

John Biggs AM
Chairman of the Budget and Performance
Committee
City Hall
The Queen's Walk
More London
London SE1 2AA

Date: 27th January 2014

Dear John

Response to the Mayor's draft consultation budget 2014-15

Thank you for your letter of 20 January. On behalf of the Mayor I set out below responses to your Committee's recommendations on the draft consultation budget 2014-15.

Recommendation 1

In view of its admission that no in-depth analysis has been carried out before, and in order to help improve the Met's performance, MOPAC should carry out work to understand why crime has fallen more slowly in London than in other urban areas in England over the last ten years.

A review of the patterns of reduction achieved by the MPS 'most similar force' group raises some interesting questions. MOPAC will be asking HMIC to undertake some research to gain a better understanding of what sits behind this.

Recommendation 2

As we requested in the Pre-Budget Report, MOPAC should provide workforce projections for 2014-15 and 2015-16 using the Operational Policing Measure.

From 2014-15 onwards the service costing information included in financial monitoring will be derived from the OPM. MOPAC are monitoring OPM information on a regular basis in order to examine and challenge the effective use of available resources and have committed to make greater use of OPM data in setting future budgets. MOPAC will provide OPM data to the Budget Monitoring Sub-Committee on a quarterly basis and publish it on their website once a review of data published on their internet has concluded.

Recommendation 3

MOPAC should provide a breakdown of the cost savings in 2014-15, 2015-16 and beyond it expects to generate from its investment in the Met's technology.

MOPAC will provide a breakdown of the costs savings it expects to generate from its investment in the Met's technology.

Recommendation 4

The Mayor should explain how he intends to fund LFEPA in the medium term in the context of falling government grant funding, and whether another major round of savings will be needed.

Paragraphs 5.20 and 5.21 of Part II of the Draft Consolidated Budget for 2014-15 explain the Mayor's intentions for 2014-15 and 2015-16. The Mayor has committed to provide funding to LFEPA to avoid the need for any further major frontline realignment over the lifetime of LSP5 from 2013-17. The details of how this commitment will be honoured in 2016-17 needs to await future grant Settlements and the overall funding position of the GLA. However, LFEPA are in a no less uncertain position than other public bodies generally.

Recommendation 5

The Mayor should clarify his strategy for disposing of surplus sites across the GLA Group, and how he is ensuring that the functional bodies are reaching the right balance between generating capital receipts and achieving his wider Mayoral objectives.

There is a clear protocol in place for agreeing disposals of surplus land and property across the GLA Group and this is overseen by the Single Property Unit (SPU) Steering Group which is chaired by the Deputy Mayor for Housing, Land and Property and includes senior representation from all the functional bodies. In all relevant situations the London Development Panel, which the Mayor established last year to make it faster, easier and cheaper to bring surplus public sector land forward for development to meet his policy objectives, will be used and any exceptions to this require approval from the SPU Steering Group.

Recommendation 6

The Mayor should estimate by how much the Affordable Housing Programme will be underspent by March 2015, and set out how he intends to use that money.

The GLA housing team is working hard to deliver affordable housing targets to 2015 and these are likely to require the resources currently allocated to the Affordable Housing Programme. In the event of any budget being available at the year end this would be used to support the Mayor's target of 100,000 affordable home completions over two Mayoral terms.

Recommendation 7

The Mayor should ask TfL to work with the GLA Intelligence Unit to produce some estimates of the social and economic benefits of time-based ticketing options to address the following objectives: to encourage part-time work, reduce peak-time travel, and reduce travel costs for low-paid workers. This should be provided to the Committee by June 2014, together with the costs of those ticketing options to TfL.

The introduction of contactless bank card payments on the London Underground and rail services later this year not only provides customers with more flexibility but also provides the opportunity for TfL to develop more flexible ticketing products. The original Oyster card system has a number of operational constraints which limit this flexibility. The Mayor has therefore asked TfL to work on ticketing products which specifically address the needs of part-time workers, asking them to balance the desire of all Londoners to have a simple and cost-effective ticketing system with the needs of part-time workers. The Mayor has asked for this in time for any such changes to be introduced from January 2015.

Recommendation 8

The Mayor should confirm that he will ensure that all functional bodies fully comply with the requirements he sets out in his budget guidance document for the 2015-16 budget.

The Executive Director of Resources sent a letter to you on 21 January on the detail of TfL's budget submission for 2014-15. He clarified that there were no omissions in the information TfL supplied to GLA officers. The Mayor is happy to confirm that he will ensure all functional bodies will be expected to fully comply with the requirements he sets out in his budget guidance on the 2015-16 budget.


Recommendation 9

The Mayor should confirm that the prioritisation process for the 2015-16 core GLA budget will be sufficiently advanced to be included in the 2015-16 draft consultation budget.

Being able to deliver the prioritisation process to an earlier deadline next year will depend on a number of factors, not least available funding and the timing of funding decisions by the Government. However, the Mayor intends to use his best endeavours to ensure that your Committee's request will be delivered in the 2015-16 budget process.

I trust these replies will assist the Assembly's deliberations on the Mayor's budget at its meetings on 29 January and 14 February.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E Lister', followed by a horizontal line.

Sir Edward Lister
Chief of Staff and Deputy Mayor, Policy & Planning

Cc: Martin Clarke, Executive Director of Resources, GLA
David Gallie, Assistant Director – Group Finance, GLA