

## London Assembly (Plenary) - 25 January 2018

### Transcript of Agenda Item 3b – Draft Consolidated Budget 2018-19 Budget and Performance Committee Response

**Jennette Arnold OBE AM (Chair):** Now I call upon Assembly Member Bacon, Chairman of the London Assembly's Budget and Performance Committee, to give that Committee's response to the Mayor of London's Greater London Authority (GLA) Group Budget proposals and precept 2018-19 consultation document.

**Gareth Bacon AM:** Thank you very much, Madam Chair. Can I thank the Mayor for what I thought was quite a reasonable introduction just now?

As Chairman of the Budget and Performance Committee, my role now is to outline the main points for consideration that we identified during the scrutiny process that took place early in the new year. Since the draft budget was originally produced, the Committee has held five meetings with the functional bodies and, finally, with the Mayor. A paper setting out the recommendations from our two budget reports is included in the papers for today's agenda.

The fundamental headline, as the Mayor has just referred to, from his Budget is that the Mayor has asked the average London band D household to pay an extra £14.21 in council tax, which is the largest increase in council tax since 2007. The Government has given him this flexibility and we broadly support his decision to use it.

In 2018-19, the Mayor has stated that he will use this money to tackle knife crime and fund a 2% pay rise for police officers and firefighters. I think it is fair to say on behalf of all Assembly Members that we are very proud of our emergency services, and part of the work we do is to ensure not only that they are properly resourced but that the funding they have is used to maximum effect.

Turning to transport, though, we continue to have concerns about Transport for London's (TfL) future. Our Committee published a report on this in 2016 and the situation for TfL has got worse since then rather than better. TfL is still struggling to cope with the Mayor's decision to freeze fares and now we also see that passenger numbers are falling. It is four years in a row now that TfL has had to revise its fare forecast down and the fares freeze has meant that it has had to cut back on council investment.

This Budget will see borough schemes getting less support, although I would like to hear more detail - which the Mayor just alluded to - about finding more money for Local Implementation Plan funding going forward. That would be very welcome, indeed. However, we have also seen bus services scaled back and less money invested in the road network. All road users will start to feel the effects of this in the coming years.

This is also, it is fair to say, a budget that is hampered by the financial mess that is the Olympic Park. My colleagues and I have had the London Legacy Development Corporation (LLDC) sitting before us on a multitude of occasions this year, and the Mayor has finally realised what we have been saying for quite some time, which is that the LLDC's borrowings are completely unsustainable. However, capping how much the GLA loans the LLDC will not solve the problem in and of itself. The money must come from somewhere and direct funding from the GLA will inevitably take money away from other priorities. A long-term, financially sustainable solution is, therefore, desperately needed.

Finally, we concluded that the Mayor can and should do more on affordable housing. The progress so far has been undeniably slow and we would like to see more going forward. We completely agree that the Mayor does not have the funding required to build all of the affordable housing that London needs, but we do feel that he could do better with the funding that he does have. A Budget that puts £222 million into the Affordable Housing Programme and £145 million into the Housing Zones should be delivering more affordable housing starts, and we will be looking for signs of improvement in the forthcoming financial year. Thank you very much, Madam Chair.

**Jennette Arnold OBE AM (Chair):** Thank you, Assembly Member Bacon. Thank you for identifying those key issues and the Committee's work on this subject. Also, thank you for reminding us that the comments are on the proposals published for consultation on 21 December 2017, not on the draft consolidated Budget published with this agenda.

With that, can I ask the Assembly to note the response by the Budget and Performance Committee to the Mayor's draft consultation Budget, as I have just said, for 2018-19?

**All:** Agreed.

**Jennette Arnold OBE AM (Chair):** Thank you.