

**London Assembly (Plenary) - 25 January 2018****Transcript of Agenda Item 3c – Draft Consolidated Budget 2018/19****Questions to the Mayor**

**Jennette Arnold OBE AM (Chair):** It is now over to Assembly Members to put questions to the Mayor on his draft Consolidated Budget proposal.

Members will have in front of them papers divided up into seven sections of the Budget and I will be taking questions section by section. We are going to start with the Mayor's section of the Budget, and I am informed that the first question on this section will come from a Member of the Conservative Group of the Assembly. Assembly Member Bacon?

**Gareth Bacon AM:** Mr Mayor, you have made the case for a long time that it is necessary to put as much money as possible into supporting the emergency services and there is a considerable degree of cross-party support around the Chamber for that initiative. However, in a time of tight budgets for emergency services, why have you chosen to increase the budget for London & Partners (L&P) by 15% or £1.8 million in the forthcoming financial year?

**Sadiq Khan (Mayor of London):** You will be aware of the work L&P does in relation to economic development in London, promoting London overseas, working hand in glove with the Department for Trade and Industry (DTI) to be, if you like, the DTI for London.

You will be aware of the concerns that many have, including independent experts, about the consequences of Brexit on London. We published recently an independent analysis from experts done by Cambridge Econometrics, which showed how the seven largest sectors would be impacted by the various options being considered by the Government. We are trying to do what we can to encourage businesses to come to London. You know the strapline we are using, which is 'London is open'. We have had many successful trade missions overseas, which have led to London businesses expanding.

Also, what we are seeking to do is to increase our presence in other parts of the world where currently we have no presence. What we have agreed is to have an increased presence in six new cities - Paris, Berlin, Bangalore, Shenzhen, Chicago and Toronto - as well as extra staff in the existing San Francisco office. This will enable L&P to have people on the ground closer to key decision-makers, speaking to both existing and potential new investors, to bang the drum for London.

The good news is - and credit goes to the previous Mayor for setting up L&P - that L&P has over the course of the years, including last year and I am confident next year, brought London business revenues that otherwise would not be brought to London. We should welcome that.

**Gareth Bacon AM:** Thank you for that answer, Mr Mayor. I think that is the first time I have heard you say something positive about your predecessor, which is remarkable. To slightly scotch that, it is fair to say that there has been some cross-party scepticism on the part of the Assembly both under your predecessor and now about the value that L&P actually adds, the slightly opaque nature of its governance and the lack of ability of L&P to draw a line of cause-and-effect between their activities and the inward investment that we see coming into London.

Have you put in place any additional measures that will make sure that L&P spends money wisely? How will you be measuring that?

**Sadiq Khan (Mayor of London):** You will be aware of the review that took place when I became the Mayor in relation to L&P. We have a new Chief Executive, who will shortly be returning from maternity leave. As you know, there is a three-year budget review taking place for L&P to make sure we get value for money from L&P.

The governance of L&P and the 50:50 with monies coming from the private sector leads to us being able to get more monies in this area than otherwise would be the case, but Rajesh Agrawal, the Deputy Mayor for Business, and others are always happy to listen to ideas from the Assembly about how we can improve. I do not pretend that L&P or the Mayor's Office have a monopoly on wise ideas. If the Assembly Member has any ideas for how to make L&P punch even more above its weight, I am always happy to listen.

**Gareth Bacon AM:** One of the things that many Assembly Members said when the review was conducted was that one way to bring the Assembly onside and make it a cheerleader rather than a critic is to put an Assembly Member on the board of L&P. That might be something you might want to consider going forward.

Do you anticipate increasing the L&P budget further during your term as Mayor?

**Sadiq Khan (Mayor of London):** I set budgets on an annual basis, but we are looking at L&P on a three-year basis. Once that is done, which will be shortly, that will answer the question going forward.

The reality is that we have to realise that we have competitors who are courting business in other parts of the world. You will see the great reviews President Macron [President of France] received on his recent visit to London. He is also getting great reviews, I understand, in Davos. I welcome Prime Minister May going to Davos as well because we have to make sure -- and we, by the way, work hand in glove with the DTI and the Foreign and Commonwealth Office on trade missions and other matters. We have to realise that we will use all the tools we have in our toolkit to make sure we promote British businesses - and in my area, obviously, London businesses - and try to court businesses to come here.

The good news is that it is not simply the economy in a silo, but there are cultural benefits to using London to promote 'UK plc', and also social benefits with our fantastic diaspora as well. I cannot predict what is going to happen in the next three, five or seven years, but the three-year plan will help give an indication of the near future. If it is the case, for example, that the DTI wants to do more work with us, if it is the case that other parts of the country - the Mayor of Greater Manchester, the Mayor of the West Midlands, the Mayor of Liverpool - are talking about how we use L&P to bring businesses to London and then other parts of the country benefit, then of course we will listen to that.

**Gareth Bacon AM:** Moving on to another section of your Budget, Mr Mayor, the External Affairs budget, you are holding it flat this year. You are not proposing to increase it. However, since you became Mayor, it has gone up by £1.3 million from the budget left behind by your predecessor. Why has that budget gone up?

**Sadiq Khan (Mayor of London):** This year?

**Gareth Bacon AM:** No, since you became Mayor. You are holding it flat this year, but it has gone up since you became Mayor.

**Sadiq Khan (Mayor of London):** I am just getting a note here from my Chief of Staff. We discussed this last year in relation to the increase. Do you want to respond directly to the point?

**David Bellamy (Mayor's Chief of Staff):** Yes. The increase in the External Affairs budget and the staffing changes in marketing and digital and so on were the subject of a consultation by the Head of Paid Service with the Assembly's GLA Oversight Committee. The paper that went to that Committee just under a year ago, from memory, should have the information the Assembly Member needs.

**Gareth Bacon AM:** That is fine. Thank you.

**Sadiq Khan (Mayor of London):** In the next four years, also, it is going to stay flat.

**Gareth Bacon AM:** Yes, I can see that, that is fine. In your own office, Mr Mayor, it is going up by just under £1 million in the forthcoming financial year. Why is that?

**Sadiq Khan (Mayor of London):** I have a feeling that it might have to do with some of the fire stuff as well; the restructuring of the London Fire and Emergency Planning Authority.

**David Bellamy (Mayor's Chief of Staff):** There are two principal reasons. The first, actually, is that a lot of it is not changes in expenditure. In fact, the Greater London Authority (GLA) has traditionally budgeted in its staffing budgets based on a midpoint. It just assumes that, on average, a member of staff on the grade is at the midpoint, incrementing that within that grade. What we found was that that is an inaccurate assumption in a lot of places because we benefit from a lot of very long-serving members of staff. Therefore, the budget was underestimating the expenditure that actually was taking place. Part of what you see in the budget this year is a reforecast of spending on staff based on a more accurate profile of what officers expect will happen. It does not reflect any change to that. It is just that the Mayor's Office benefits from a particularly large number of long-serving staff.

In addition to that, there are some new posts, most notably the new Deputy Mayor for Fire and support staff for that role. Those are the two substantive reasons for the change.

**Gareth Bacon AM:** What salary is the Deputy Mayor for Fire proposed to be getting paid?

**David Bellamy (Mayor's Chief of Staff):** A budgeting assumption was made on a basis consistent with other Deputy Mayors, but that is ahead of any decision by the Mayor on that role and so that is purely a budgeting assumption. For example, were the role to be viewed as a part-time role, then that would lead to a reduction. Our Assistant Director, Human Resources and Organisational Development, is at the moment conducting a piece of work to assess what is appropriate there.

**Gareth Bacon AM:** The first point that you made, Mr Bellamy, was around the misassumption of people being paid at the midpoint and I accept what you say about how, when people are here a long time, they seem to rise to the top of the band. How was that paid for in previous years?

**David Bellamy (Mayor's Chief of Staff):** In a large number of cases, it came about through underspending in other areas. Within the Mayor's Office in the first year, there was a ramping up of staff as the office was restructured and there was some contingency provided in the final budget of the previous Mayor for that, and that created some budget flexibility.

**Gareth Bacon AM:** Thank you. That is it, Madam Chair.

**Jennette Arnold OBE AM (Chair):** Thank you for that, Assembly Member Bacon. Assembly Member Copley?

**Tom Copley AM:** Thank you, Chair. Good morning, Mr Mayor. I want to ask you a question about housing. The Strategic Housing Market Assessment (SHMA) says that we need to be building nearly 31,000 low-cost rented homes each year in London. How will your Budget move us towards achieving that figure?

**Sadiq Khan (Mayor of London):** Firstly, the figure given by the SHMA will not be met unless the Government substantially increases the amount of money it gives to us to build genuinely affordable homes. Analysis done shows that we spend, roughly speaking, £500 million in this area per year. We need to multiply that by five to £2.7 billion to get to the numbers that the SHMA says we need.

What we are doing is making sure we are using the monies we have negotiated from the Government over five years, £3.15 billion, to start building 90,000 homes by 2021. That is the agreement we have reached with the Government. That still leaves us significantly short of the assessment of the target needs for London. You will be aware that we have set out how many we next to start over the course of the next five years.

The good news is, of the allocation of 90,000 starts that we should have done by 2021, as a consequence of deals we have made with housing associations, councils and developers, we have agreement for about 80% or 90% of that. Over the course of the next few months, we will be hoping to finalise the final 90,000 starts by 2021. I made the point to the Government that even if the private sector - if it wanted to because our draft London Plan required it to do so - increased the supply of affordable houses on developments, without significantly more funding from the Government, we are not going to meet the targets that we need.

**Tom Copley AM:** Indeed, and one way for more funding to be released would be for the Government to remove the Housing Revenue Account (HRA) borrowing cap - which, sadly, it failed to do at the [Autumn] Budget - which would free up quite a significant amount of money for councils to deliver low-cost rented homes.

What will your budget do specifically to help release the potential of councils that are desperate to build new affordable housing in the absence of this Government action?

**Sadiq Khan (Mayor of London):** Councils have a number of problems. You mentioned one in relation to the HRA cap: the inability to borrow prudentially. Often land is locked. They may have a small piece of land and the land next door may be locked and owned by somebody else. We are working closely with London Councils. There are representatives from London Councils on the Homes for Londoners board.

Also, we have unveiled recently a new pot of money, a revolving fund of £250 million. That will be used to leverage in additional support financially for councils to buy land next door to pieces of council land to help them build more genuinely affordable homes. The example last year of Waltham Forest working closely with us will lead to 300 new genuinely affordable homes in Waltham Forest. We are currently negotiating on a piece of land, which I cannot talk about, which will hopefully lead to more affordable homes being built. We are speaking to councils about joint ventures, working with them, and them working with others.

Also, of course, there are the Housing Zones. One of the concerns we had over the Housing Zones was that not enough affordable homes were being built in the areas. I welcome the attitude of the councils trying to make sure we increase the numbers of genuinely affordable homes in relation to the pot of money there for Housing Zones.

**Tom Copley AM:** Thank you for that, Mr Mayor. I very much welcome the revolving fund. Can I turn, finally, to the issue of family-sized housing. It is something that concerns, I think, all parties on this Assembly. Why have you removed the target or aspiration for 36% of low-cost rented homes to be family-sized from the Affordable Homes Programme funding prospectus?

**Sadiq Khan (Mayor of London):** For social housing, there is a need for more family-sized housing. What we are saying in the draft London Plan and other documents is that of the market in intermediate family-sized homes, the figures show us that only, roughly speaking, a third are couples with families. However, it is a decision for local authorities to take in relation to what homes they give permission to --

**Tom Copley AM:** Specifically, for low-cost rented social housing - where of course councils have nomination rights and so they can end up, always, in the hands of families - given that there is a standard funding rate of £60,000 per unit, which incentivises housing associations to build smaller units rather than bigger ones, would it not be sensible to have some sort of target in order to incentivise associations to build larger rather than smaller homes?

**Sadiq Khan (Mayor of London):** I can send you the breakdown of the 80,000 homes we have made a deal on with the housing associations and the councils, which will give you an idea of the family-sized homes we have agreed with housing associations. Particularly in outer London, where it is cheaper to do so, we have good examples of housing associations making applications to build family-sized homes.

**Tom Copley AM:** Thank you, Mr Mayor.

**Jennette Arnold OBE AM (Chair):** Assembly Member Boff?

**Andrew Boff AM:** Mr Mayor, how will your housing plans be affected by the abandonment of the Haringey Development Vehicle (HDV)?

**Sadiq Khan (Mayor of London):** I do not have the figures to hand, but a lot of applications come to me if they are big. I am assuming that that is above the size that comes to me and so, when it comes to me, I will have a look at the application. I cannot tell you; it has not come to me yet.

**Andrew Boff AM:** You say you have been negotiating with the boroughs over delivering your programme. The HDV was going to deliver 6,400 homes. Now that that Vehicle is almost certain to be abolished, how is that going to affect your housing ambitions?

**Sadiq Khan (Mayor of London):** They have not come to us yet. I can give you examples of other councils with schemes coming to us. Recently, unfortunately, we had to say no to Barnet, but there are other examples in the last period where we have worked with councils to increase the amount of homes that are genuinely affordable that are being built there. As and when that scheme comes to me, I will of course look at it. The bad news in relation to Barnet was, even though we were in desperate need of affordable housing, my decision meant - it could be argued - that we have 625 fewer affordable homes than would otherwise be the case. The reason I made that decision was because the new scheme would have had fewer social homes than had previously been the case. As and when that scheme comes to me I will look at it and look at the merits.

**Andrew Boff AM:** What preparations have you made for the inevitable shutdown of the HDV?

**Sadiq Khan (Mayor of London):** I am not sure that permission has been granted. It has not come to me yet. When it comes to me, I will consider it in my quasi-judicial manner on the merits of the planning case. You are talking about a hypothetical. It has not come to me.

**Andrew Boff AM:** It is not really hypothetical, is it, because Momentum now runs the London Labour Party and they are not very keen on it --

**Jennette Arnold OBE AM (Chair):** Assembly Member Boff, no.

**Andrew Boff AM:** -- and so that is going to actually happen, is it not? Do you not think you should be making plans?

**Jennette Arnold OBE AM (Chair):** No, can I just stop there now? We were doing so well. Assembly Member Boff, I heard you put a question on that specific item and the Mayor's response to that.

**Andrew Boff AM:** I just wanted to know if he is planning for the inevitable.

**Jennette Arnold OBE AM (Chair):** I have heard him say not because he has not had a proposal.

**Andrew Boff AM:** He is not planning for the inevitable, which is even more worrying.

**Jennette Arnold OBE AM (Chair):** Do you have another question?

**Andrew Boff AM:** Thank you very much, Chair. No, Chair.

**Jennette Arnold OBE AM (Chair):** All right. Let us go to Assembly Member Twycross.

**Fiona Twycross AM:** Thank you. How will your Budget support businesses during and after negotiations for the Brexit?

**Sadiq Khan (Mayor of London):** Thanks for your question. I am particularly worried about small and medium enterprises (SMEs), but all businesses, clearly, are affected by the decision to leave the EU. You will have seen - because I know you have talked about it - the independent analysis undertaken. It was almost 100 pages, which talked about the seven key sectors. You will also be aware from being a longstanding Member of the Assembly of the financial contribution we receive from the EU. There are a number of projects that my budget is supporting across London. The idea is to help businesses grow, give them access to funding, attract investment and fill their skill gaps.

I want to give you some examples, just three, to give you an idea or a flavour of the work that we are doing with Jules [Pipe CBE, Deputy Mayor for Planning, Regeneration and Skills], Rajesh [Agrawal, Deputy Mayor for Business] and others.

The first is the London Growth Hub. The idea here is, after speaking to small businesses, the question we asked was: what would help you the most? What the London Growth Hub will do is be a tool to signpost and provide information to SMEs. How do they access funding? How do they get business support or workspace help? Gareth [Bacon AM] mentioned L&P. Can we be mentoring SMEs going forward? How can we attract companies and investment to London? That is why I alluded to the new areas around the world where L&P has set up, which will help small businesses. You will be aware that as part of my Mayor's International Business Programme, I take with me small businesses, particularly those with female founders, that otherwise would not get access to venture capital.

The second big thing we are doing is the Tech Invest Programme, which gives innovative tech firms the opportunity to attract capital funding to enable them to grow. We have many firms starting up in incubators, accelerators, scale-ups, and the idea is to help them in relation to growing. London is the tech capital of Europe. We have to make sure we stay that way but try to catch up with New York and Silicon Valley as well.

The final thing linked with that is the Digital Pipeline LDN programme. The idea there is that, according to all the experts, we are seeing some evidence of examples of Londoners who are EU citizens leaving London, but that should redouble our efforts to try to train people who are here and are going to stay there with the skills they need for the jobs of tomorrow, particularly, Fiona, targeting girls in schools, black, Asian and minority ethnic (BAME) communities and deprived areas, and giving them the tech skills they need. The Business Advisory Board, working closely with the London Economic Action Partnership (LEAP), is doing some work on how we can push this forward. The good news is that, with the devolution of further education around the corner, it will lead to us doing more training of young people rather than less.

**Fiona Twycross AM:** Thank you. The independent analysis that you mentioned, commissioned by you, found that in all scenarios apart from our current situation, London would lose out in migration productivity. The sectors in London that would be hardest hit would be construction and hospitality due to their reliance on EU workers. How will this impact on other commitments in your budget, for example, increasing housing provision?

**Sadiq Khan (Mayor of London):** It is a big issue. The estimate we currently have is that London's population will go up by 100,000 each year. You will be aware of the positive impact that has on buoyancy, but growth without planning can lead to problems. It is really important we plan for the growth and also plan for the possibility of skilled workers leaving London, which will lead to less taxes coming in and less remuneration for us to then hand out. We are conscious of what is happening.

One of the things, by the way, I am told, is that economic forecasts look at passengers using the London Underground as a way of seeing whether there is an up-dip or a down-dip in relation to what is happening in London. That is why one of the concerns we had around the passenger forecast for the Tube not being as it should be was whether that is a sign of the uncertainty caused by Brexit and people leaving.

We are keeping an eye on this. Transport for London (TfL) looks at the figures every week in relation to passenger forecasts and we will have to flex in relation to what happens over the course of the next few weeks and months; for example, at the end of March, when the Government makes its announcement with the EU in relation to the progress made on a transitional deal, that could lead to big changes, and by the end of October, of course, when the final deal is supposed to be done.

**Fiona Twycross AM:** Thank you. What would a no-deal Brexit impact be on your budget plans?

**Sadiq Khan (Mayor of London):** It is difficult to predict completely accurately, but if you look at the economic assessment done by Cambridge Econometrics, that is the least-best scenario for London and the country on a whole host of indicators. If you are a restaurateur and you do not have skilled staff, that affects your ability to be profitable, pay taxes and all the rest of it. Also, it could lead to jobs being lost if you are in hospitality.

The silver lining is that London does the best of the entire country. The silver lining is, because we have a high number of high-skilled jobs compared to the rest of the country, we can take it a bit more and we can bounce back better. It is other parts of the country that will suffer. You will be aware of the symbiotic relationship between London and other parts of the country. It is not simply London and the EU *vis-à-vis* a hard deal; it is London and the rest of the country as well, and so there are all sorts of knock-on consequences of a bad deal with the EU.

**Fiona Twycross AM:** Thank you.

**Jennette Arnold OBE AM (Chair):** Assembly Member Gavron.

**Nicky Gavron AM:** Mr Mayor, good morning. I want to ask about the provision of childcare in your Budget. Your Budget narrative says that it is one of your key deliverables and it also says that the Budget will address the multiple issues of cost, quality, availability. I wondered if you could tell us a bit more about how you are going to do this.

**Sadiq Khan (Mayor of London):** Thank you for your question. You will be aware that the GLA has no statutory role in relation to childcare, but that should not limit our ability to try and help in this area. What we can do is facilitate and support better provision across London and Joanne McCartney [AM, Deputy Mayor for Education and Childcare] has done a lot of work in this area. I want to give you some examples of the work we can do and we are doing as the consequence of the work that Joanne and others have done.

We are piloting three Early Years Hubs, which aim to improve access to quality early-years education and childcare for the most disadvantaged families. Unfortunately, the take-up of childcare, even when it is Government-assisted, is worse in London than in the rest of the country both for the 15 hours and 30 hours. The Hubs will help to address that.

Secondly, we are delivering an early-years leaders programme to support early-years educators to progress in their careers and improve outcomes for children, particularly those children who are disadvantaged.

The third thing that Joanne has been working on is piloting and rolling out a healthy [early] years scheme for childcare providers. It is really important, the impact, as you know, of diet on children.

Fourthly, we are developing a fund to support parents and families from diverse backgrounds to come together in and around early-years and family settings to form new networks, provide informal support and take action, which will increase social integration. You will be aware of the huge benefits that Sure Starts gave in the children's centres in relation to parenting classes, making friends - the isolation and loneliness of being, in particular, a lonely mum - meeting other parents, increasing networks, gaining access to information and jobs.

On top of that, there are things we are doing which will have an impact, I hope, on childcare in a positive way. We are working on a Good Work Standard and this will encourage employers to provide family-friendly workplaces. In the draft London Plan, we are working with developers and local authorities to ensure that in developments they consider childcare provision.

Also, one of the things that we have looked at is the work that local authorities do in relation to childcare sufficiency assessments. One of the things that I was not aware of and Joanne has explained to me is that some local authorities have very long forms and some have shorter ones. Some do not publish the data. We are working with London Councils to try to make it a friendly childcare sufficiency assessment and then we can know whether there are childcare deserts in parts of London that need addressing.

**Nicky Gavron AM:** That is pretty comprehensive. However, recognising that you do not have any statutory responsibility for childcare provision in London, it - or the lack of it - does have a very negative impact on the London economy. I just wondered, is there more you can do?

**Sadiq Khan (Mayor of London):** Again, we are in the ideas business. The only limitation for us is powers and resources, but I am always happy to look at ideas.

For example, one of the things that we realised when we did this work was when we looked at the uptake of free childcare in some parts of London. London has the least take-up versus the rest of the country. Within London, if you compare Tower Hamlets to Richmond, Tower Hamlets has 39% of eligible two-year-olds using their entitlement, but Richmond has 90%. What we could do, for example - and this is the idea behind the Early



Years Hubs - is focus on parents in Tower Hamlets, some more of them, taking up the offer made by the Government.

We can do work in particular boroughs and bring people together, but, honestly, we are not pretending we have all the ideas. The only limitation is going to be powers and resources and the willingness for key partners to work with us. You will be aware of the announcement I made in relation to the childcare loan. We should be a beacon as a good employer. Ideas are gratefully received.

**Nicky Gavron AM:** You mentioned the London Plan having a policy to ensure that boroughs meet the increased demand due to population growth and due to the policy pressures from the Government. I wondered, given the severe cuts they are experiencing, are there ways you can assist them?

**Sadiq Khan (Mayor of London):** The way we are assisting councils in terms of planning is, in the draft London Plan, there is an expectation on developers when they are building, for example, 500 units of homes, that at the preapplication stage - particularly, as Tom [Copley AM] was alluding to, they are family homes with children living in those homes - there is provision for nursery places or primary school places, and that should be a consideration that councillors take into account when it comes to giving permission. We are always happy to work with councils in relation to planning.

The problem with revenue costs for a new nursery for councils is they have already faced cuts of 40% in relation to central Government cuts since 2010 and the expectations, I am told, that councils have is that by 2021 these cuts will have reached 60% on the current trajectory. The concern councils have is that they may just be performing the bare minimum statutory service they have to provide, which makes it very difficult for them. I have realised that and so what I do not want to do is add to their burden but realise the challenges they face.

One thing councils can do is work closely together with other councils and I have seen evidence of them trying to do that.

**Nicky Gavron AM:** Thank you.

**Jennette Arnold OBE AM (Chair):** Assembly Member Dr Sahota.

**Dr Onkar Sahota AM:** Mr Mayor, your Budget does not detail any spending on programmes to reduce health inequalities. Given this, how will you reduce health inequalities and how will the policy work alongside your agenda for economic fairness?

**Sadiq Khan (Mayor of London):** In the Budget, the health part of the Budget is set out in a line that is not called 'health', rather helpfully. It is called --

**David Bellamy (Mayor's Chief of Staff):** It is 'Communities and Intelligence'. It is part of that directorate.

**Sadiq Khan (Mayor of London):** I made the same mistake. It is in there, but let me tell you what we will use it for going forward. You will be aware that we are consulting on a Health Inequalities Strategy and I will publish the final version in the summer of this year in relation to what the consultation tells us. You will be aware that good preventative work not only improves quality of life for those Londoners who benefit from not being obese, not smoking and all of the other behaviours that can have an impact on health, but it saves the National Health Service (NHS) money in the long-term, and also contributes towards the economy with less time off for sickness and all the rest of it.

Let me give you some examples of investment that the 'Communities and Intelligence' line does include. We have committed, roughly speaking, £328,000 to healthy children programmes. I mentioned in answer to your previous question a new Healthy Early Years London programme. This will address health inequalities in young children and so we are committing to this.

Healthy Minds is a programme. You will be aware of - and you supported, thank you very much - Thrive LDN. We are committing £350,000 to Healthy Minds, which is to help in particular young Londoners. I will give you one example of a £100,000 grant given to the Young London Inspired programme, which is a partnership where there are three grant schemes, which increases volunteering and social action opportunities for young people at greater risk of developing poor mental health. You will be aware that most adults who have poor mental health had it when they were younger and it was not diagnosed and steps were not taken to prevent that getting worse.

We are also committing to healthy places. Basically, in all our policies from transport to regeneration to planning, we will think about health. For example, one of the benefits of encouraging more people to walk, cycle and use public transport is that it leads to exercise that should be done every day being done.

There is the work we are doing around Healthy Habits. We have committed £270,000 (towards launching and running London's new Childhood Obesity Taskforce and the aim is to reduce childhood obesity in the city. You will be aware, again, unfortunately, children who are obese tend to become adults who are obese, which leads to all sorts of issues that you know about from diabetes to other sorts of issues as well.

The final thing I will say is this. It is similar to the answer I gave to Nicky [Gavron AM] in relation to having no strategy powers in relation to childcare. I appreciate that I have minimal statutory powers in relation to health in London, but we have been devolved some health powers in London and we are going to take advantage of that. There is a London Health Board of which I am the Chair and so there are things I can do even though I do not have the levers or the resources. For example, you supported the independent report prepared by the King's Fund (Sustainability and transformation plans in London: an independent analysis of the October 2016 STPs), which is leading to Sustainability and Transformation Partnerships (STPs) changing their behaviour slightly, not as much as we would like. That is a particular problem because of lack of resources from central Government. I will continue to support the London Health Board going forward in relation to the work they do, which will be even more important with the Estates Board coming forward and the work around the estates.

**Dr Onkar Sahota AM:** Mr Mayor, thank you very much for that. It was very comprehensive, but just one more thing. In your draft Health Inequalities Strategy, you have stated:

*"Too many Londoners are still suffering ill health because of social and economic exclusion."*

How will this Budget affect social and economic inclusion and thus Londoners' health?

**Sadiq Khan (Mayor of London):** One of the examples I gave before was in relation to helping young parents come together: what has been missing since Sure Start and children's centres closed down.

Another example is around development. The draft London Plan talks about and gives examples and encourages thought being given to where people live, work, play and rest. Rather than the idea of London being a dormitory city where you live on the outskirts an hour-and-a-half away from your job in the centre, we should be thinking about bringing work and home closer together. Why can you not have live-work spaces? Why can you not have jobs in Zones 3, 4 and 5? Why can you not have people living in Zone 1 by having more affordable homes in Zone 1 so that it is not simply the preserve of the wealthy? By thinking about planning, you can at an early stage bring that in going forward to, for example, making sure there are genuinely affordable homes in all

parts of London; healthy lifestyles and encouraging people to walk and cycle much more than they currently are, not simply - although we are committed to this - having segregated cycle lanes but also having better pedestrianisation, not just Oxford Street but all around London. We are doing lots of things, working with councils and working with central Government to try to improve mental health inequalities.

As you know, we have just had a meeting with Claire Murdoch [National Mental Health Director, NHS England] and my Health Advisor, Dr Tom Coffey, talking about how we can help with inequalities around mental health, particularly among school-aged children. One of the things we have been doing in schools - bearing in mind I do not have the resources I would like, neither do Child and Adolescent Mental Health Services (CAMHS), nor do mental health trusts - is to pull together our resources to try to, for example, at an early stage help with mental health issues in schools.

**Dr Onkar Sahota AM:** Thank you for that, Mr Mayor. How refreshing it is to see that you are putting health high up on the agenda, much more so than your predecessors. Thank you.

**Sadiq Khan (Mayor of London):** Thank you.

**Jennette Arnold OBE AM (Chair):** Assembly Member Shah?

**Navin Shah AM:** Thank you, Chair. Mr Mayor, my question relates to regeneration. Can you tell me how the Good Growth Fund will improve London's regeneration, particularly for those areas in London's outer boroughs?

**Sadiq Khan (Mayor of London):** The LEAP, having replaced the London Enterprise Panel (LEP), is in charge of the Good Growth Fund, which is - for those colleagues who are not as familiar with this as Navin is - an overarching regeneration programme. Roughly speaking, it will provide £17 million in funding, as well as expert regeneration advice, design support and knowledge-sharing opportunities to a broad range of public, private and third-sector organisations going forward. The idea is that the themes are to empower London's people, to strengthen London's place and, thirdly, to grow London's prosperity, and so that is people, places, prosperity.

We have put out this Good Growth Fund and then people have expressed interest in relation to applying for some of this funding. The good news is that more than 205 eligible expressions of interest were received by the deadline. What we have set aside is a budget of £27 million in the first tranche to help towards doing that. We are going to map projects going forward in relation to how well they do.

Just to say - and I know you probably know this, but other colleagues may not - there is a Good Growth Fund and there is, separately, a Growing Places Fund as well, which I am sure you know about and which also helps the public sector to encourage private-sector investment as well. There is, roughly speaking, in total, £110 million in there as well.

**Navin Shah AM:** Thank you for the scale of funding and the overall criteria. Can you tell us when we can expect to hear about the projects that will be funded? Some form of timetable and structure to it, please?

**Sadiq Khan (Mayor of London):** Sure. I mentioned the deadline was September [2017]. Shortlisting took place last week. The original longlist of eligible criteria; shortlisting taken place; 45 detailed applications; and now the officers are evaluating these. I am sure that once the evaluation has taken place, decisions will be announced.

**Navin Shah AM:** Mr Mayor, what will any of these successful bids look like? Critically, how would you measure that success?

**Sadiq Khan (Mayor of London):** Very good. Firstly, it is not one-size-fits-all. The project will look at each outcome, bearing in mind the applicant and the location. We cannot have all the eggs in Zone 1. It has to be all across London. We would want to understand the distribution of projects across London. To be honest, a high proportion of the applications were from inner and central London. We are trying to use the process to make sure we have outer London proposals being successful as well.

We are also going to leverage in crowdfunded money to support and grow civic engagement. Then we will measure success by how much difference those projects have made and how complex they were. If some projects are straightforward, the bar will be higher than if projects are more complex.

The idea is to have community-led projects as well. We do not want it to be command-and-control from the centre. There are the criteria that the LEAP has set out in relation to the success of these projects going forward, and they will be mapped during the course of the projects by the various officers in City Hall.

**Navin Shah AM:** Again, talking about the outer London boroughs, they may finally - having bid for it, etc - have their views and their own experience in terms of having gone through the process, successful or not. Will there be any measure to get their feedback, which is so critical to the success of your 'good growth' vision?

**Sadiq Khan (Mayor of London):** Absolutely. Gareth [Bacon AM] complimented me for saying nice things about the previous Mayor. To give him credit again, the previous guy, the officers in that team are exemplary, the LEAP team and the old LEP team. They know the communities; they have face-to-face dialogue. Some of the things we are announcing are because of the feedback they receive from small businesses, particularly in outer London.

We are always learning, but what I have been impressed by is the appetite of the officers to always learn. They do not pretend they have all the answers. That is an ethos that I very much welcome. It bodes well for the feedback you talk about going forward.

**Navin Shah AM:** Thank you, Mr Mayor.

**Jennette Arnold OBE AM (Chair):** Assembly Member Cooper?

**Leonie Cooper AM:** Thank you, Chair. Mr Mayor, last year I asked you some questions about your initiatives for air quality, which is starting to bear fruit, as we have seen in the recent figures. It is the beginning of a journey here. Unfortunately, they were opposed by the Conservatives during that budget-setting.

As you know, the Environment Committee has just produced a report last year in April [2017] on plastic bottle waste, particularly from single-use plastic bottles. Again, unfortunately, there was a minority dissent from the Conservative Group. I am really pleased to see that you have included some money in your budget for this year to tackle this dreadful scourge and to make water more available for Londoners.

I just wondered if you could unpack a little bit more for us how that is going to manifest over the forthcoming period?

**Sadiq Khan (Mayor of London):** Can I just say, Chair, through you, that this is a good example of collegiate working between the Assembly and the Mayor? I appreciate that your role is to provide checks and balances to the Mayor and, often, there is metaphorical fisticuffs. However, this is a good example of an Environment Committee coming up with a good idea and we are running with it. Of course, I will claim the credit for it, Leonie [Cooper AM], for reasons you will appreciate! However, it was the Environment Committee that did this report, which we liked. It was realistic and ambitious. The challenge for me is making sure we can afford it

because there are lots of good ideas that were presented to me from across the piece, but with the best will in the world we cannot afford to do it all.

You have prepared this report, which we studied, as I promised we would. Firstly, thank you for the work that your Committee did. We looked at it, we costed it, and we realised that we could do some really exciting stuff in this area. Thank you for your response to the draft [Environment] Strategy, which we published.

What is the plan? The plan is not to pretend we can do all of it by ourselves or that we have the resources to do it by ourselves. We are encouraging London businesses to make tap water available to the public. It cannot just be public authorities doing the right thing. We should be encouraging the private sector, too. You will see the announcements today made by some private-sector companies about making water available. We will use funding to support pilots of refill schemes in up to five areas of London in the short term, encouraging retailers and others to offer customers free tap water.

**Leonie Cooper AM:** Is that going to be working with the Business Improvement Districts (BIDs) in the five areas?

**Sadiq Khan (Mayor of London):** Absolutely. This is just the pilot stage. Of course, there are resources I have: stations, good links with the BIDs. The BIDs across London are actually very constructive and work well with City Hall. If there are BIDs that want to do this, we can give them assistance and advice.

Also, a question: why can we not have more public drinking-water fountains? Anybody who goes on holiday in the great cities across Europe will see water fountains there. In my draft London Plan, I am saying to developers that they should be installing free drinking-water fountains where appropriate. We will review suitable sites and also funding models for new water fountains in London.

A big concern expressed by local authorities and others who are cash-strapped is maintenance. If there is a fountain in a park, for reasons that we can appreciate, the council may decide not to maintain that because there is an annual cost in relation to that. We are looking at what we can do to help in relation to those areas as well.

We have already started working with partners on 20 sites across London for water fountains --

**Leonie Cooper AM:** That mapping has already started, then, to assess which sites might be most propitious in terms of the transport interchanges?

**Sadiq Khan (Mayor of London):** Yes. I would be disappointed if there was not some change on the ground by this summer in relation to some parts. The idea then is to lead by example. I am not sure if you have had time to go to the restaurant downstairs or the café downstairs, but they are already phasing out single-use plastics downstairs. The cafés already offer us free water refills. They have reduced plastic cups and bottles and there are other incentives they are giving, including --

**Leonie Cooper AM:** Yes, I am delighted to see that, and also getting money off if you bring your own cup for the coffee.

**Sadiq Khan (Mayor of London):** Ten pence off, correct.

**Leonie Cooper AM:** I just wanted to ask you whether we have started the work on developing an app, also, at City Hall so that people can more easily find their way to the BIDs and other outlets that are starting to offer free water?

**Sadiq Khan (Mayor of London):** We are doing some work in relation to mapping first. What we try to do is to collect the data and let the private sector do the innovation in relation to apps. The basic example is TfL. We provide the data to innovators free and they do the innovation. Just imagine if we get supermarkets and other retailers, the private sector and the transport network involved. It would not be long before we had an app which makes it possible for people to find out where the free water is. I would not want us to take over that job of providing the app. What we can do is provide the information and let the great innovators in London provide the app, which they will do very speedily, I am sure.

**Leonie Cooper AM:** We were very keen to see City Hall working with businesses in exactly that way.

**Sadiq Khan (Mayor of London):** Absolutely.

**Leonie Cooper AM:** Finally, the one word that we have not mentioned - or three words - is 'deposit return scheme'. There are shops that are talking about implementing this. The Government is, apparently, looking into this. It would be really great to hear that the Government is going to give us some support. Is that something you think we can start to push ahead with now? 99% of bottles in Germany are recycled. It would be great to get near that.

**Sadiq Khan (Mayor of London):** We have started to look into this. Let me tell you the concern. I am not sure if we can do it without Government support; let me give you one example why. There are many examples why. What is to stop people from outside London bringing their bottles into London? It may sound flippant, but Scotland has raised this issue recently. Scotland is worried about people bringing - it sounds silly - lorryloads of bottles from England to Scotland. That is why we want some support from the Government. We think this is the way to go, I really support this. We are looking into this. There are some obstacles along the way, which we think are not unsolvable, but it is important that I am honest with you about some of the challenges. That is why, when there are ideas that are realistic and ambitious, of course we are going to run with them. My concern with this at the moment is that we have not worked out yet how to do it when it is London-only.

**Leonie Cooper AM:** Thank you very much, Mr Mayor. Thank you.

**Jennette Arnold OBE AM (Chair):** Thank you. That ends that section of the meeting. Before we go on, can we welcome teachers and pupils of Clifton Primary School from Ealing? Hello.

Let us then go to the next section and it is the section for the London Assembly.  
Any questions on the London Assembly budget? No? Thank you.

The next section is on the Mayor's Office for Policing and Crime (MOPAC). We have, a Member from the Green Group asking a question. Thank you.

**Sian Berry AM:** Thank you, Chair. I have only a few minutes to ask questions and so I am going to focus on your announcement recently in your draft budget of the new £15 million fund, which you have said today is to boost police activity targeting knife crime. Can you outline for us what that £15 million is going to go on in terms of police activity?

**Sadiq Khan (Mayor of London):** Sure. How the money is spent is a matter for the Commissioner [of Police of the Metropolis] in relation to operational issues, but let me give you some examples of where I could see it being spent.

As you will be aware, we began a monthly operation, Operation Sceptre, with 80 officers going into high-knife-crime areas and doing knife sweeps, spot checks on retailers and other work in relation to trying to deter young

people carrying knives and those who are arrested, charged and prosecuted. For example, the Commissioner may decide to increase the frequency of Operation Sceptre, being one example.

There are other examples that we have in relation to the work that the Metropolitan Police Service (MPS) could be doing in this area to tackle knife crime, for example: deploying officers; central special operation rooms; a smaller number of dedicated officers doing the work around here. That is an issue for the Commissioner, but these are some examples they have given me that they could be using going forward.

**Sian Berry AM:** It is essentially policing, detection and enforcement type of work that that money is going into --

**Sadiq Khan (Mayor of London):** This is, Sian, separate from the money we are trying to find for the stuff I know you are very keen on as well around prevention. In my opening, I mentioned the £15 million as part of the £49 million for this. I am trying, by the time I come back to you in three weeks' time, to have found some support for the issue that I know you have given in your latest incarnation of the report around providing things for young people to do. That is separate from this £15 million.

**Sian Berry AM:** Just to confirm, none of the £15 million is going into, say, the London Crime Prevention Fund that funds projects out in the community?

**Sadiq Khan (Mayor of London):** No.

**Sian Berry AM:** That is for later to decide what you might do there?

**Sadiq Khan (Mayor of London):** Yes.

**Sian Berry AM:** That is really good. Although I do not know where this comes in the section, there is a bit of your background statement, section 6.10, where you talk about the potential £20 million in council tax surplus and you specifically ask for suggestions from the GLA - and that is us, I think - to explore further options for supporting projects assisting young people.

This is something I have been working on for some time. I am continuing to try to monitor youth service cuts across London. They have not all got back to me yet, the councils; they have not all decided on their budgets for this year, but for the 13 that have, there is already a further £1 million coming out of their budgets for 2018-19. This hole that we have identified just grows and grows. The more that we can put money out into the community for real prevention work is good.

It is good that you have £20 million, potentially, to spend and you are not putting it on a big shiny thing with your name on it. You are putting it out there into the community: that is really positive.

**Sadiq Khan (Mayor of London):** Can I just say on that, Sian --

**Jennette Arnold OBE AM (Chair):** Just a minute, Mayor. How is that relevant to policing? Are you talking about youth projects relating to policing and crime and, if you can, can you say that?

**Sian Berry AM:** Yes, it is the £20 million --

**Jennette Arnold OBE AM (Chair):** I just want you to make the link to policing and crime.

**Sian Berry AM:** This is real prevention work, the kind of thing I have been talking about trying to put more police money into.

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

**Sian Berry AM:** The Mayor has clarified that the £15 million is set to go on enforcement work but that potentially there is £20 million in a section of the Budget that is central, still, and that may go out into communities. You will not be surprised to hear that our amendment later on today is going to make some good suggestions.

Can I also ask about the Divert programme? That is something else that is to do with getting young offenders and encouraging them into work and education. Is any of your money going into extending that?

**Sadiq Khan (Mayor of London):** We currently have, roughly speaking, £7 million around the knife crime stuff and some of that is around prevention, diversion, gang work, the accident and emergency department stuff that —would be covered by that.

**Sian Berry AM:** Great. Thank you, that is all the time I have.

**Jennette Arnold OBE AM (Chair):** Assembly Member Bailey, policing and crime.

**Shaun Bailey AM:** Considering the strain placed on London and the police service around the terror attacks, and in view of the fact that Manchester has received £24 million because of the attack there, have you had any conversations with central Government about extra funding to recoup the cost?

**Sadiq Khan (Mayor of London):** We have had very encouraging conversations with the Home Office in this area. There are two separate conversations, one less encouraging and one encouraging.

On the police side, it is very encouraging and there are two parts to that. One is terror and the second is Grenfell [Tower fire] because there are lots of investigators involved there. Both of those conversations are very encouraging with the Home Office, as you will be aware. I do not have the figure to hand. It is north of £20 million. We are hoping to get that back from the Government.

If I can indulge you, Chair, the fire conversation - and I know it is not the fire section - is less encouraging for the reasons we discussed at the Budget and Performance [Committee meeting], but, again, we are trying our best there as well.

**Shaun Bailey AM:** Just moving on and to circle back around to the things that my colleague Sian [Berry AM] was talking about, you have announced this £15 million, which is welcome. Can I ask you if all of that money will go on knife crime prevention?

**Sadiq Khan (Mayor of London):** Yes. The Commissioner [of Police of the Metropolis] has been tasked to use that £15 million for knife crime work, yes.

**Shaun Bailey AM:** Only for knife crime work?

**Sadiq Khan (Mayor of London):** Yes, but there may be some overlap. If a young person is carrying a gun--

**Shaun Bailey AM:** Yes, of course. Let us say violent crime, That is fine. In your additional £20 million, do



you have any idea of what proportion you will be spending on - let us call it - community work and prevention work?

**Sadiq Khan (Mayor of London):** Subject to representations received by the Assembly and plans we are working on, firstly, let us not assume it is £20 million. Sian was very careful in being circumspect. It is around that region, let us say, for argument's sake. I would want it to be spent on young people and what some people call 'prevention work' on young people, yes.

**Shaun Bailey AM:** Can you give us details? Are you talking about youth work? Sian has made a big plea for youth work. I would make one for family intervention and maybe even mental health. We want to have some idea of how widespread and how large a figure that is because then the sector can ramp up.

**Sadiq Khan (Mayor of London):** Chair, why do I not help? I have a feeling that there is a lot of expertise here. If we work on the basis - subject to changes by February [2018] - of £20 million, I am very happy over the course of the next week for Assembly Members to make ideas known to me, but with the caveat that Gareth [Bacon AM] referred to last year, which is that we have to be a bit careful about revenue costs going forward. For example, there was the concern expressed last year - and I took it on board, by the way, in his capacity as Chairman rather than his political party - and the good idea you had as the Chairman of the Budget and Performance Committee. If you spend money this year on a project, you have to make sure that the project either ends after a year or has funding going forward, but, for example, if there is £20 million, why not divide it by three years so that you could fund something for three years? Therefore, when it comes to making your ideas, submissions or representations to me, I would encourage you to think about, say, £6 million a year over the next three years or something. I really am open, Shaun, genuinely.

I take your point about parenting classes and family help and stuff. One of the things we have tried to do with the work we are doing on younger people is to help parents at that age. If it is the case that you have ideas and projects in particular, please let us know.

**Shaun Bailey AM:** I will do. Just to wrap up - how to phrase this - what changes will this make to the Knife Crime Strategy? This money is new. It is newer than the Knife Crime Strategy. There are complications with the Strategy. Will this allow you to make some changes?

**Sadiq Khan (Mayor of London):** The Knife Crime Strategy is there and that was produced after lots of work and it has buy-in from communities. Do you mean the prevention and £20 million worth --

**Shaun Bailey AM:** Yes, because you are saying there are additional monies on the table. Will that have an impact?

**Sadiq Khan (Mayor of London):** The intention is to invest this in young people, some of whom - a small minority - may have got involved in knife crime. We do not know. This will, hopefully, lead to long-term benefits, people becoming productive citizens and contributing to society and having constructive things to do. I would not want us to draw a link between all young people and knife crime. I know you are not doing that. I cannot draw a link between investing in young people and a direct impact from the Knife Crime Strategy because --

**Shaun Bailey AM:** Let me focus you more. I am talking about the £15 million here. That is about --

**Sadiq Khan (Mayor of London):** I beg your pardon. That will have a real, yes, a big part --

**Shaun Bailey AM:** Yes, so what changes will that facilitate in the Knife Crime Strategy?

**Sadiq Khan (Mayor of London):** I beg your pardon. That will have an immediate change. The Commissioner knows now that she has an additional £15 million not previously assumed to spend on the area of knife crime. It may be, Shaun, that the Commissioner says to me, "You know what, Mayor? Instead of having one operation a month with 80 officers around Operation Sceptre, we may decide, for example, to join that up with an initiative we are doing around moped crime and have more of those; rather than once a month in high-knife-crime areas, either increase the team or do other initiatives on the ground". It is not for me as a non-policing expert to tell the Commissioner what to do.

**Shaun Bailey AM:** I understand that.

**Sadiq Khan (Mayor of London):** However, you are right. That £15 million is linked directly to the issue of knife crime.

**Shaun Bailey AM:** At what stage and how will the Commissioner give the GLA or the Assembly some idea, or some vision, for what she has intended for that money?

**Sadiq Khan (Mayor of London):** Chair, why do we not agree? Assuming the Budget goes through in three weeks' time, why do I not agree through you, Chair, to ask the Deputy Mayor for Policing and Crime with the Commissioner at the next Police and Crime Committee meeting to give you an idea? I am not sure when that is, by the way. I assume it is imminent.

**Steve O'Connell AM:** Yes, I believe so.

**Sadiq Khan (Mayor of London):** Steve, if we --

**Jennette Arnold OBE AM (Chair):** I am sure that will be the first item on the agenda at the Police and Crime Committee meeting.

**Steve O'Connell AM:** Yes. Through you, Chair, we are likely to cover it at the meeting.

**Jennette Arnold OBE AM (Chair):** Absolutely.

**Sadiq Khan (Mayor of London):** What I will do, Chair, is to undertake to speak to the Deputy Mayor and the Commissioner to make sure. My expectation is that they have sufficient details to inform the Assembly of what their plans are with that money.

**Shaun Bailey AM:** Thank you very much. That is all, Chair.

**Jennette Arnold OBE AM (Chair):** Assembly Member Dismore.

**Andrew Dismore AM:** Thank you, Chair. Many people said to me they would be prepared to pay a little bit more for the emergency services, and it is important that you have announced that the entire council tax and precept increase is going to the police and fire services. How will the proposed increases maintain and improve policing in London?

**Sadiq Khan (Mayor of London):** The first thing is just to be honest with Londoners. This increase in the police precept and the share of the non-police precept through business rates will not lead to more officers or lead to us going back to where we were before the Government cuts started biting. A lot of this money will not be seen by the public because it is being used to pay for the pay rise, which was agreed independently from me.

Some of it they will see in relation to the knife crime stuff we have talked about and the increase in operations by the police around knife crime, and some of it they will see in relation to officer numbers being stabilised rather than the fear Londoners had about officer numbers going down.

During the course of 2018-19, we will have an average of 30,000 officers across London - an average - but do not be surprised, Andrew, if there are bits across the year when it goes below 30,000 and a bit when it is above 30,000. The average will be 30,000 across London. By the way, we have not had so few officers for a long period of time, more than 10 years.

**Andrew Dismore AM:** Thank you. It is disgraceful, though, is it not, that despite their smoke and mirrors attempts to dissemble otherwise, the Conservative Government is not providing a penny more in the cash settlement for policing, not even to fund the well-deserved pay rise you have mentioned? Do you think they do not understand the real impact their cuts are having on policing and community safety or do you think they do understand and do not care?

**Sadiq Khan (Mayor of London):** Today we will see published the Office of National Statistics figures for crime around the country. I have not seen them yet, but I would be astonished if you do not see the effect of Government cuts on police numbers. Look, if you are in Government, you have to be tough on crime and tough on the causes. Being tough on crime means having sufficient police officers, properly resourced, with the kit they need. Being tough on the causes means investing in young people, as we have discussed in the past. Do not be surprised, Andrew, if the figure shows around the country an increase in certain types of crime. I am not the mayor for the country and so I am not sure who these guys are going to blame, but it is cause-and-effect, Andrew. If you reduce the number of officers, it does have an impact in relation to how people feel and also on crime, I would argue.

**Andrew Dismore AM:** You have said that you will be able to maintain officer numbers in the forthcoming year at an average of 30,000 with this increase and the other hard choices that have had to be made so far. Do you think you will be able to do that for years into the future if the Conservative Government does not increase central Government support?

**Sadiq Khan (Mayor of London):** It is difficult for me to plan two or three years down the road, but I cannot see how we can keep police officers at an average of 30,000 in subsequent years. Let me tell you why.

The police have already made huge savings over the last seven years. They are criticised for not making savings and not making efficiencies. They have lost a significant number of community support officers. They have lost a considerable number of police staff. They are 2,000 officers lower than in previous years. They have sold off more than 100 police buildings. They have closed down more than 100 police station front counters. They are already outsourcing uniforms, catering, estates. They are criticised for having Basic Command Units and for changing the way they engage with the public *vis-à-vis* front counters. There is not a lot more that can be cut.

The biggest part of the police budget is staff. 75% of the police budget is staff. There is no fat left. There has been no fat left for a while. The only other place the police can go to make the savings required of them by the Government is cuts in staff, which leads to fewer police officers, and fewer police officers leads to people feeling less safe and crime going up.

**Andrew Dismore AM:** Thank you.

**Jennette Arnold OBE AM (Chair):** Assembly Member Desai.

**Unmesh Desai AM:** Thank you, Chair. Mr Mayor, looking to the future, there is still £183 million of unidentified savings to be made by 2021-22. What implications will this have for policing at the start of the next decade if these savings have to be found? Can you give Londoners a vision of what it means for them?

**Sadiq Khan (Mayor of London):** Look, unless the Government changes its mind in relation to the cuts it is planning for London, we have to face more than £300 million over the next few years, roughly speaking, £325 million. We have identified some of the savings and the MPS and MOPAC are working incredibly hard to find efficiencies and savings. They are not sitting on their hands and accepting the *status quo*. They are looking to find savings. They have planned to find some of the £325 million savings. However, you are right that there is still an unidentified pot of savings that they have to find and cannot find. That will lead to, I am afraid, the number of officers being the least it has been for more than 15 years at a time when our population is rising by more than 100,000 each year, at a time when crime is becoming more complex and higher in volume and more difficult to resolve. The Deputy Commissioner himself has said that, in his words, it will lead to them having to make really difficult choices in terms of what they can prioritise and what they can do. What you are seeing is an increasing prioritisation of workloads and having to be really clear when we can take something on and try something new about what gives. It is going to be very challenging.

**Unmesh Desai AM:** Can I ask you directly, carrying on from where Assembly Member Dismore left off? You are putting more money into the MPS for 2018-19, more money the following year and the year after. With the Government walking away from funding the police, is it your funding that is now keeping the MPS afloat?

**Sadiq Khan (Mayor of London):** Listen, the MPS is suffering the consequences of cuts. In the announcement - Andrew [Dismore AM] called it 'smoke and mirrors' - the Government gave the impression it was giving £450 million additional money to police forces around the country. £50 million is ringfenced for counterterrorism and, by the way, that leads to only a 1% increase when inflation is 3%. A considerable amount of it comes from us having to raise the precept to the maximum we can and the remainder, £170 million, is from the Transformation Fund. There is no new money. This is the most regressive form of taxation there is - council tax - being used to fill only part of the massive hole left by Government cuts.

**Unmesh Desai AM:** Thank you. I think that was a 'yes' answer. Finally, Mr Mayor, on a very specific issue, given the pressure on police officer numbers, what role do you think Special Constables can play in supporting the MPS?

**Sadiq Khan (Mayor of London):** I have friends who have been Special Constables and they have a huge role to play, with one caveat. Special Constables are not a replacement for skilled, well-paid, well-trained police officers. They are a supplement and an addition to police officers. We have to be very careful here. I would not want the impression to be given - and I know you are not doing that because you understand policing - that Specials can replace police officers. I want to thank every single MPS Special for the volunteering that they do. The men and women do an amazing job across London. Roughly speaking, there are more than 2,000 MPS Specials across London. They are volunteers. Many have fulltime jobs. They have family commitments. We should all thank them for the role they play in helping us be safer than we otherwise would be.

**Unmesh Desai AM:** Thank you, Mr Mayor.

**Jennette Arnold OBE AM (Chair):** Assembly Member McCartney.

**Joanne McCartney AM:** Thank you. My question is about police overtime. This Assembly has always looked closely at police overtime. Of course, this year, the police had a very difficult year with four terrorist attacks and the work associated with the Grenfell [Tower] tragedy, too, but can I ask: are you satisfied that overtime is being managed strategically and that it is being used where your priorities are and do you expect this to continue? On

the flipside, officers who do overtime often have leave cancelled at very short notice. Are you satisfied that there are robust procedures in place to ensure that they are not overworked to the detriment of their health?

**Sadiq Khan (Mayor of London):** Thank you for your question and the way you asked it, particularly your comments about officers.

Robin Wilkinson, who is the Director of People and Change [MPS] has spoken to the Police and Crime Committee. He came to the Budget and Performance Committee previously. You are right that there has been an unprecedented demand on policing services for the reasons you have said, which I can talk about, but be reassured - I hope - the Committee that overtime is rigorously monitored, calculated and controlled.

You are right to remind us of why there has been the overtime. The MPS is a 24-hour-a-day, seven-day-a-week service. They have to respond often to events, last year - as you mentioned - Grenfell and the terror attacks, but there are other crimes that take place that they have to respond to. Often, police officers cancel rest days. Often, they work longer hours than they are supposed to. They deserve our thanks, but the police service is not like a normal business. If you were to be really strict on overtime, can you imagine the criticism the police would be under - by the way, the police would do it anyway, they are so professional - if at a certain time they were supposed to clock off and they clocked off in the middle of taking a statement or in the middle of chasing somebody or in the middle of responding to a crime. That is not the police officers that I recognise and that I know. They are keeping under review the work they are doing here.

By the way, if I could show you the figures, the police estimate that the counterterrorism incidents resulted in a requirement of additional overtime of £8.4 million and for Grenfell Tower additional overtime of £3.5 million. Are we honestly saying that those police officers doing that overtime should not be doing it? We have to be realistic about that. As Robin [Wilkinson] said, they will do what they can to try to keep control of this as much as they can, but there are spikes on demand. They will do what they can.

**Joanne McCartney AM:** Thank you.

**Jennette Arnold OBE AM (Chair):** Thank you very much. Let us move to the next section, which is the London Fire and Emergency Planning Authority, and, Assembly Member Kurten, your question.

**David Kurten AM:** Chair, thanks. Good morning, Mr Mayor. We all appreciate that you are going to put extra money from the council tax precept into the Fire Brigade here. How confident are you that the Fire Brigade will be able to meet all of its response time targets with the extra money that you are putting in this year?

**Sadiq Khan (Mayor of London):** The extra money does not address the issue of previous savings made by the fire service. What this does is to make sure that it can meet budgets going forward. The London Fire Brigade is still making efficiencies and savings. The Anthony Mayer report [*Review of Resourcing of the Fire Brigade*, 2016] was quite reassuring in relation to their ability to adapt and to meet the needs of London now. There are challenges, but I am confident they can meet the expectations placed upon them.

**David Kurten AM:** There is a difference in response times between boroughs and there are some boroughs, particularly in outer London - I am thinking of perhaps Havering, Hillingdon and places like that - where response times are a little bit lower for whatever reason. Will there be more support for fire crews in those boroughs and those regions to enable them to try to improve response times?

**Sadiq Khan (Mayor of London):** I do not want to pretend that you will see big improvements in fire stations, fire appliances and firefighters. What you will see is a combination of two things. One is, if you like, the revenue reserves which were planned to help in relation to the shortfall between income and expenditure. Because it is a

one-off, what we are trying to do is to replenish that. Secondly, the Grenfell Tower expenditure of appliances, breathing apparatus, drones, extra counselling and help, not just for one year but for a period of years, is ostensibly where the additional money raised is going. We should not give the impression to people in outer London that this will lead to an improvement in response times. Dany Cotton QFSM, the [London Fire] Commissioner, regularly keeps it under review and it is an operational matter for her to move the resources she has under her control. I am sure, Chair, we can pass on to the Commissioner your concerns around the response times in outer London, particularly Havering, to see if there is an issue she can address.

**David Kurten AM:** Thank you. One of the concerns that has been raised in the report by the Budget and Performance Committee is that there has been a level of underspend over the last couple of years and there is the possibility of an underspend in the next financial year. Do you see this as the case and, if so, what are you going to do to address that?

**Sadiq Khan (Mayor of London):** The Budget and Performance Committee, rightly, pointed out that in previous years there had been underspends, but for different reasons. I looked into this after the Budget and Performance Committee meeting. Sometimes it was because of pension scheme rates. That was an issue in one particular year. Sometimes it was variances in operational staff budgets. The London Fire Brigade and the London Emergency Fire and Planning Authority (LFEPA) have heard the concerns raised by the Budget and Performance [Committee] loud and clear in relation to this.

There is an upside: the underspends that have led to the revenue reserves being created, what is called the 'budget flexibility reserve'. Thank God because we are using that budget flexibility reserve to fill the hole left by the cuts to the fire service going forward.

The point is that you can only spend that once. That is why we need to use the increase in the non-police precept council tax this year and in the next three years to make sure that income and expenditure match.

**David Kurten AM:** One of the specific concerns was that there would be a high level of vacancies this year and I have a figure of perhaps 125 average vacancies this year. Is that something that you are specifically addressing with the underspend? Do you have some strategies and plans in place to address that vacancy of --

**Sadiq Khan (Mayor of London):** Recently I met with the Chair of LFEPA and the Fire Commissioner and we discussed this very issue. They have started a second recruitment drive and expect to see these unfilled positions being filled in the very near future.

**David Kurten AM:** Thanks. I remember last year I did ask you about the capacity to deal with marauding terrorist firearm attacks (MTFAs). Has anything been done to train fire staff to deal with that over the last year or do you have any plans to deal with that this coming year?

**Sadiq Khan (Mayor of London):** Again, this is an issue I raised with the Secretary of the Fire Brigades Union yesterday and the Commissioner last week. The best way to understand it, for those of us who are not experts, is that there are two separate things for the fire service and MTFA. One is specialist firefighters with the machinery will be on the scene of an MTFA; secondly, if the fire service responding to a terror attack get a callout saying there is a road traffic accident on Westminster Bridge and do not realise until they get there that it may be an MTFA. The concern expressed is not with the former. The former are pretty well-equipped. They train. There is a good team there with the expertise. The issue is the latter, making sure they have the support, assistance and training, but, also, they are compensated for doing a job different from what they are supposed to be doing, which is fighting fires.

The Mumbai attack was a wakeup call to the emergency services, just some reassurance for you, as we saw last year, after you asked the question. You asked the question last January [2017]. The good news is last year we had, unfortunately, four terror attacks and Grenfell Tower, and the fire service was amazing.

I met one fire crew who had responded to two of the terror attacks and Grenfell Tower and another fire crew left Soho Fire Station for Westminster Bridge, thinking it was going to be this, on the way thought it was going to be this, and when they turned up it was something else. They were already prepared to deal with it and stuff. They are really amazing.

**David Kurten (AM):** Yes. We will all agree with you how fantastic our firefighters are. Thank you, Mr Mayor.

**Jennette Arnold OBE AM (Chair):** Let us go on to the section on TfL and Assembly Member Copley.

**Tom Copley AM:** Thank you very much, Chair. Mr Mayor, I want to ask you first of all about the proposals to sell the new Crossrail trains to pay and lease them back to raise finance for the new fleet of trains for the Piccadilly line. I am aware that this is something that the London Overground does and it is common on National Rail but not something - other than the Northern line - that is used on London Underground.

First of all, I want to ask you if the purchase of the Piccadilly line trains was already planned for in terms of TfL's expected borrowing?

**Sadiq Khan (Mayor of London):** I am not sure, Tom. Could we just check that in relation to the Piccadilly line?

**David Gallie (Assistant Director - Resources, Greater London Authority):** TfL's borrowing plans would reflect the best estimate of the impact to the sale and leaseback arrangements and so, yes, but we can double check that and come back to you.

**Sadiq Khan (Mayor of London):** Do you mean the old plans or the current plans?

**Tom Copley AM:** The old plans before this.

**Sadiq Khan (Mayor of London):** You mean the Boris Johnson [MP, former Mayor of London] plans?

**Tom Copley AM:** In the previous proposal, we had the Crossrail trains already. There is now a proposal to sell them and to lease them back. I believe that is a new proposal, is it not?

**Sadiq Khan (Mayor of London):** No. Both Boris Johnson and Ken Livingstone [former Mayor of London] did sale-and-leaseback deals. Ken Livingstone had a sale-and-leaseback deal for the Docklands Light Railway (DLR) and Boris Johnson for the London Overground. This is nothing new for --

**Tom Copley AM:** I want to know, specifically on the Crossrail sale, if this is a new proposal. I do not believe it was anticipated from the beginning that these trains would be sold. It was anticipated they would be owned by TfL.

**Sadiq Khan (Mayor of London):** That is not quite right. TfL always works on the basis of what is best for TfL. You mentioned what happens with national trains. You are right. For example, sale and leaseback of rolling stock is standard practice. It has been used for 24 of 25 of the new UK train operators in recent years, 92%, roughly speaking.

For TfL, I looked into what the previous Mayors did and this is common practice for purchases made by previous Mayors but, in relation to the Piccadilly line, there were two submissions. One is the previous plans on the Piccadilly line and the current plans. I am not sure if you mean the previous ones or the current ones.

**Tom Copley AM:** I am trying to work out the difference in terms of TfL's finances because there are big implications for TfL's finances if the proposals have changed. My understanding was that previously TfL were going to hold on to the Crossrail trains and hold on to home ownership, and then money would be borrowed in order to pay for the Piccadilly line. Was that the case previously?

**David Bellamy (Mayor's Chief of Staff):** Perhaps I could help with that, Assembly Member. Clearly what TfL tried to do is they have forward projections in terms of borrowing and what the appropriate way is to finance the capital investment programme. What they do not do is they do not lock down years in advance precisely what financial instruments and so forth they are going to adopt in order to fund that, because obviously they need to be reflective of the latest market conditions. The option for a sale and leaseback on these trains has always existed. As the Mayor said, it is something that TfL has done on a number of assets. Therefore, it was always something they had there to consider as an option. They had not taken a view that, yes, this definitely was something they wanted to do. It may have been more appropriate to look for a different form of finance for the capital investment programme but, because this sale and leaseback scheme is around a secured asset, you achieve a very competitive charge, and so it is an efficient thing to do.

**Tom Copley AM:** It is very different doing it to Crossrail to doing it on the Underground because they are different kinds of trains. Looking at the TfL Business Plan then, is the annual cost of leasing back the trains already factored into the TfL Business Plan figures?

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

**Tom Copley AM:** In the figures we have here, we do not need to make any adjustment for the anticipated cost of leasing back the trains?

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

**Tom Copley AM:** Fantastic. Do you know --

**Sadiq Khan (Mayor of London):** It is not specific, though, because of commercial sensitivity. It is not the exact --

**Tom Copley AM:** Fine. If I ask you what you expect the leasing costs to be, you are not going to tell me?

**Sadiq Khan (Mayor of London):** Exactly.

**Tom Copley AM:** That is understandable. Can you tell me what you expect the capital receipt from the sale of the trains to be?

**Sadiq Khan (Mayor of London):** Do you mean Piccadilly line trains?

**Tom Copley AM:** No, the capital from the sale of the Crossrail trains.

**David Bellamy (Mayor's Chief of Staff):** Again, Assembly Member, this has not gone through the tender process yet with the people who provide the finance and so there is a --



**Sadiq Khan (Mayor of London):** You are telegraphing to the private sector how much they should bid. That is why it is commercially sensitive.

**Tom Copley AM:** Fine, I thought that you might say that. To be clear, you have anticipated the leaseback cost in the Business Plan figure, so that is unlikely to --

**David Bellamy (Mayor's Chief of Staff):** Absolutely. TfL have used their experience to try to ensure that the assumptions in the figures are prudent.

**Tom Copley AM:** Given that you cannot say what the leasing costs are, this might be a slightly difficult one to answer but how would the leasing costs compare to the interest TfL would have paid if they had raised the money, for example, through borrowing?

**Sadiq Khan (Mayor of London):** I can answer that, Tom. At the moment the overall interest rate on a leaseback is below 2%. We cannot borrow on the markets at that rate or from the Government at such a low rate. That gives you a flavour of the terms that they can get.

**Tom Copley AM:** You said the return on the leaseback --

**Sadiq Khan (Mayor of London):** The interest rate is below 2%.

**Tom Copley AM:** Is below 2% for a leaseback deal, so --

**Sadiq Khan (Mayor of London):** That is a 2017 figure and so it can change by the time this happens.

**Tom Copley AM:** Do you expect there to be a significant material difference between the cost of leasing these trains back over a 25-year period and the cost of the extra borrowing?

**Sadiq Khan (Mayor of London):** That is a calculation that needs to be made. If, for example, it made sense to borrow and not do a leaseback then, of course, that is what TfL would do.

**Tom Copley AM:** If it was significantly more to lease them back, would you go to the Government and suggest perhaps that they ought to raise TfL's borrowing limit in order to get a better deal for the taxpayer?

**Sadiq Khan (Mayor of London):** If that was the case we would look at the options open to us. The relationship between the Government and me is far better now than it was in the past, so I would be more optimistic than in the past but, of course, we would consider all the options.

**Tom Copley AM:** I am pleased to hear that.

**Sadiq Khan (Mayor of London):** By the way, to be fair to the Government, the Government would realise because they have reduced revenue contributions to zero that we have to think laterally. Where they can, I am sure they would try to help but that calculation has not been made yet. If the hypothetical happened, we would look at all options.

**Tom Copley AM:** Yes. It is of course worth remembering that the Government are removing £800 million in terms of the operational grant to TfL's budget.

**Sadiq Khan (Mayor of London):** Some of it, yes.

**Tom Copley AM:** That makes these decisions all the more difficult. I want to turn finally to a different subject, which we talked about at the Mayor's Question Time in December, which is about bus kilometres and bus service volumes that in the business plan are being cut by 10%. You said that in central London there would be more walking, cycling, healthy streets, the Oxford Street pedestrianisation and Crossrail. It would lead to fewer people using buses, so that you can move some of that capacity to outer London.

Could you tell us in actual bus kilometres and in percentage terms, what increase in bus kilometres you expect to see in outer London by the end of the Business Plan period?

**Sadiq Khan (Mayor of London):** TfL does not calculate by region on a year to year basis but, to give you a flavour, the plan is to increase those walking, cycling or using public transport from 64% to 80% by 2040. That increase predominantly in relation to buses will be in outer London.

The Chairman of the Budget and Performance Committee wrote to me; one of the issues he raised was around this issue and so I looked into whether we can break it down by region, even just inner and outer. They cannot do that yet, but, over the course of the period, we will have a better idea. The idea is to definitely have fewer buses where we do not need them - the Elizabeth line, cycling and pedestrianisation in inner London - but in outer London, particularly with more developments, more housing, where there is not as good a Tube network, to have more buses there.

**Tom Copley AM:** That is something that would be very sensible, as long as there are enough overall bus kilometres. If you are cutting bus kilometres by 10% overall, we ought to make sure that that is not going to impact on outer London, even if you are moving bus kilometres from inner to outer London. That is important.

You mention doing more regional figures. Do you think it would be possible to see on a borough by borough basis where bus kilometres are going to be reduced or increased?

**Sadiq Khan (Mayor of London):** In the short term, I am not sure that is realistic. Of course, we can ask for that and we will see what they can do. In the long term, we definitely can. We can tell you the new bus routes, frequency of buses, how many buses there are. We can do all that.

Let me give you an example. Before the end of this month I am hoping to launch the unlimited bus use within an hour. We have seen the positive impact the Hopper bus fare, two-for-one, has had since that was first launched in relation to bus usage changing. That may be a reason where behaviour changes. If you can use many buses within an hour that may change the frequency of buses used: the demand for fewer buses in parts and an increase in other parts, so --

**Tom Copley AM:** I was going to ask you specifically on that point about the Hopper fare. Has that changed the way that TfL seeks to manage its bus kilometres?

**Sadiq Khan (Mayor of London):** What is remarkable is, because of the tap in, they can see, for example, which bus stop people are using the most to jump on and jump off. They can then identify whether there is an increased need for more buses and when there are fewer being used, which is leading to less criticism of people in the day time saying, "I see buses going down the road and they are empty".

However, the concern you are raising - and the concern you are raising is a real one - is that what you do not want in outer London where you arrive on the bus there being fewer buses. We are going to make sure we do not get a position where the latter is happening.

The good news with the tap in/tap out is they can see relatively in real time what is happening. I am hoping - touch wood - for unlimited bus travel within an hour before the end of this month - and I know there are only six days left - and then we will be able to see very shortly what difference that has made.

**Tom Copley AM:** Thank you. Thank you very much.

**Jennette Arnold OBE AM (Chair):** Thank you. Assembly Member Pigeon?

**Caroline Pidgeon MBE AM:** On the Elizabeth line trains, can you give an absolute guarantee to Londoners that all other forms of lending, including from the Public Works Loan Board (PWLB) or other investment banks, have been considered and explored and would not provide a cheaper alternative?

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

**Caroline Pidgeon MBE AM:** Will you publish, Mr Mayor, the advice and information you received on this arrangement to assure yourself that this was the cheapest deal?

**David Bellamy (Mayor's Chief of Staff):** It is very difficult to publish that in advance of the commercial negotiations but, afterwards, absolutely, we can provide transparency around that.

**Caroline Pidgeon MBE AM:** Fantastic.

**Sadiq Khan (Mayor of London):** Of course, for the TfL Board, a public meeting takes place and there is a very good Finance Committee that discusses resource sorts of things. One of the things I do, as the Chairman of the TfL Board, is to make sure the Finance Committee are doing the due diligence required to address the concerns that you are not unreasonably raising.

**Caroline Pidgeon MBE AM:** It is not in any of the documents. We have looked through months and months of the Finance Committee papers. We cannot find anything detailed in writing on that. It may have been in a part 2 but we cannot see that. Can I just ask also, when --

**Sadiq Khan (Mayor of London):** The reason why things are in part 2 is because they are commercially sensitive. There is a very good reason why.

**Caroline Pidgeon MBE AM:** Yes. In terms of publishing that information, will you also publish what this leaseback arrangement will cost for each and every year of the lease arrangement, so that Londoners can understand the full cost of it?

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

**Caroline Pidgeon MBE AM:** Fantastic. Recently events relating to Carillion show the public sector can make fundamental errors when entering into contracts. The National Audit Office has recently been really critical of some Private Finance Initiative (PFI) deals. This is a change in policy for Crossrail. This was never anticipated.

Can you absolutely assure us that Londoners are not going to be paying a higher price for this, when you do have the powers to borrow finances to pay for the new Piccadilly line trains? You could ask to do that and, as long as it was seen as prudent by your finance officer, it could be signed off. Have you explored that and whether that might be a cheaper option than effectively selling off here the family silver?

**Sadiq Khan (Mayor of London):** There are a number of presumptions made in that question that I have to untangle because, in answering that question, it may be assumed that the question is based on a conception that is correct. First, this is not a PFI. Secondly, I do not accept there has been a change in policy from TfL.

**Caroline Pidgeon MBE AM:** For Crossrail, I said.

**Sadiq Khan (Mayor of London):** I do not accept there has been a change in policy. It is worth explaining that, if it is the case that a sale and leaseback is more expensive than another option, then of course we will choose the other option.

**Caroline Pidgeon MBE AM:** You will show that you have looked at whether you could increase your borrowing, which I am told from finance you are able to do as long as it is signed off by your finance officer, and so that has been looked at?

**David Bellamy (Mayor's Chief of Staff):** The TfL borrowing position in terms of the limits it can borrow to are set out at pages 95 and 96 of the Budget, so that is available.

**Caroline Pidgeon MBE AM:** Yes, absolutely. The other thing is, in terms of the arrangement, can you assure us that it will not be so inflexible that, say, for example, new technology develops, it would be possible to alter the contract without the public purse having to pay over the top?

**Sadiq Khan (Mayor of London):** We are in danger, Chair, of the Assembly drafting a contract that has not been agreed to, including changes that can or cannot be made. I mean we have to see what negotiations take place, what the deal is and all we can do. Of course, we are going to be as flexible as we can, but this is not a PFI scheme. It is a scheme used by the previous two Mayors and other transport initiatives. If it was the case that we could invest without needing to consider all other options, we would of course want to do so but we are considering the best way to make sure we can invest in four lines being modernised, increasing the healthy cycling programme, investing in infrastructure that we do and all the other public transport infrastructure we are committed to. You will be aware that --

**Caroline Pidgeon MBE AM:** Mr Mayor, no, the issue is not about all other transport infrastructure. This is specifically for the Piccadilly line. We are only asking because it is new. That is why Assembly Member Copley was raising it and I am because this is new for Crossrail. All we want to know is: as you are negotiating this, will you make sure that it is not going to be so inflexible that you are tied into something that we can learn from previous other sorts of contracts that have been right across the public sector?

**Sadiq Khan (Mayor of London):** Of course, we seek to learn the lessons of mistakes in relation to other contracts. We have seen the mess the Government is making with Carillion. I will try to make sure that we learn those lessons going forward, but it is worth reminding ourselves that, as far as investment in transport for London is concerned, these are record amounts we are investing across TfL.

**Caroline Pidgeon MBE AM:** OK. Finally, passenger rates have been falling for the past two years, Mr Mayor. Last year's Budget forecast that your income would be over £140 million more than it was. You're planning that you are going to have a £1.2 billion increase in passenger income for the next three years. When was the last time TfL actually achieved that sort of number?

**Jennette Arnold OBE AM (Chair):** Assembly Member Pidgeon, it is a wonderful question, but you cannot have an answer. Let us move on. Assembly Member Russell?

**Caroline Russell AM:** I was very pleased to hear you say at the beginning that you are trying to reverse the planned cuts to the Local Implementation Plan (LIP) funding following the outcry from campaigners, councillors --

**Sadiq Khan (Mayor of London):** Sorry, that was not what I said.

**Caroline Russell AM:** Was it not?

**Sadiq Khan (Mayor of London):** No. It really was not.

**Caroline Russell AM:** It sounded like that. Anyway, I want us to focus on the cycling budget, so I was just trying to say something positive from what I had heard you say.

At the London cycling campaign hustings, Mr Mayor, in 2016, you committed to maintain annual cycle spending at the levels seen in Boris's [Johnson MP] last term. That is, around £155 million a year. Can you explain what is going on with the cycling budget because you are not spending that much this year? It is only £111 million.

**Sadiq Khan (Mayor of London):** The amount of money we have committed to walking and cycling is a record amount. It is £2.5 billion in this area. You will be aware from previous schemes that there are sometimes difficulties getting schemes through, which can lead to some slippage in relation to monies spent.

I will give you a good example: Cycle Superhighway 11. The previous Mayor had plans that were completely unacceptable to councils, to those in charge of the park and residents, so not unreasonably - we would have been criticised if we did not do so - we re-consulted with Crown Estates Paving and others to try to find a scheme that is less objectionable and has buy-in from everyone else. That has led to a delay, so often there is a very good reason why there is slippage, but I do not accept that we have cut the amount of money we spend in cycling. I have seen some of the plans. One was announced around London with 25 separate routes. Quite a lot has taken place.

**Caroline Russell AM:** Mr Mayor, these are your figures. I asked you for clarification about spending on cycling and these are your numbers. They were published two days ago in a Mayor's Question response. Boris's spending was increasing. It was going up, and you promised to maintain it. The problem is you might not be Mayor for the full lifetime of the business planning period, so you are assuming spending by future Mayors in making these averages. You cannot use averages for stuff that has not yet been done and TfL we know have form for underspending on cycling, which Sir Peter Hendy [CBE, Chairman, Network Rail, former Commissioner of TfL] has in the past called embarrassing for TfL. You do need to spend this money now so that you can deliver.

**Sadiq Khan (Mayor of London):** Can I be clear, Chair? I am not sure that I understand the question. Is the suggestion that I spend the money even if the councils and the residents and the people there do not want it and just go ahead and do it on roads that I do not control?

**Caroline Russell AM:** It is saying get a move on and get delivering on the ground. Sustrans --

**Sadiq Khan (Mayor of London):** It is very important. Is it being suggested I do not consult? I am confused.

**Caroline Russell AM:** No, it is --

**Jennette Arnold OBE AM (Chair):** Assembly Member Russell, there is clearly a problem here about how you are putting your question. Could you put a short, sharp question so that the Mayor can answer it?

**Caroline Russell AM:** You are using my time, Madam Chair. You also said - let us focus in - that you would triple the extent of protected space for cycling through the superhighway programme. Sustrans have calculated that you need to fund the building of an extra 31 kilometres of cycle route by 2020 to keep that promise. The Budget allocations you have set do not realistically allow for that level of building, do they?

**Sadiq Khan (Mayor of London):** There is money in the Budget to meet the needs outlined in my Transport Strategy including my walking and cycling strategy. The key issue is this: we do not want to simply build cycle lanes because they are TfL roads. We have to make sure there are cycle lanes in Superhighways, Quietways and roads that are controlled by local authorities, controlled by rural parks, controlled by Crown Estates Paving. That means a conversation and that is why my Walking and Cycling Commissioner is talking to and meeting with, to make sure we can win over residents.

**Caroline Russell AM:** It is absolutely important that these conversations happen, that that all happens. Your figures this year are £111 million, in your written response to me about the cycling budget. If there is less money allocated you are pushing it all into future years and you are not going to be able to get stuff delivered within this mayoral term. You only have plans in the pipeline at the moment to build about 20 kilometres of cycle route. That is why I am really worried about this slowing down of spending now and the talk about averages over time that goes in to future mayoral terms.

**Sadiq Khan (Mayor of London):** Chair, I am very happy, if the Assembly Member is able to persuade councils and residents. I look at Assembly Member Arbour as I raise this point because he raised an issue last time. If you are able to persuade all these people who currently not unreasonably want to talk to us about our plans, to enable us to speed them up, I am happy for you to do so.

**Caroline Russell AM:** Great. I am happy to work with Dr Will Norman [Walking and Cycling Commissioner] to try to make that happen.

**Sadiq Khan (Mayor of London):** Let me speak to Tony [Arbour] after the meeting --

**Caroline Russell AM:** I will talk to Tony as well.

**Sadiq Khan (Mayor of London):** Persuade him first and then work on the rest of London.

**Tony Arbour AM (Deputy Chairman):** Not very likely.

**Jennette Arnold OBE AM (Chair):** Assembly Member Prince?

**Keith Prince AM:** Thank you. Mr Mayor, it was good to see you last night at the Patchwork Foundation. They do a fantastic job and thank you for the commitment that you put into that organisation as well.

What I would like to do, Mr Mayor, is to get some clarity on the exchange that we had last week around LIP funding because you may well have - let us be generous and say - inadvertently misled the Assembly in some of your answers. You said in response to one of my question:

*“Councils receive more LIP funding from me than the previous Mayor, which I am sure you will welcome.”*

I am not quite sure that is true, Mr Mayor, because you inherited a LIP fund of £206 million. That was the last figure that was given by Boris [Johnson MP], and that was for the 2016/17 year. Since then you have given less.

**Sadiq Khan (Mayor of London):** Chair, a very serious allegation has been raised. Let me respond to that. The allegation is I have misled the Assembly, so let me address the point raised by the Assembly Member.

TfL's Business Plan contains more borough funding than has ever been delivered before. I stand by that: over £200 million investment in borough roads every year and £20 million more next year than was provided by the previous Mayor, ever. This includes restoring the Local Transport Fund, £100,000 per borough.

I can give you some examples of the figures in the last four years when the previous Mayor was the Mayor and the current four years. In 2012/13, the previous Mayor, £134 million; 2013/14, £154 million; 2014/15, £170 million; 2015/16, £182 million.

I will now talk about the four years when I am the Mayor: 2016/17, £206 million, more than the previous four years; 2017/18, £204 million, more than those figures; 2018/19, £226 million, more than previous figures; 2019/20, £229 million, more than previous figures; 2020/21, £217 million, more than previous figures.

**Keith Prince AM:** Sorry, could I have the 2018/19 figure again, please?

**Sadiq Khan (Mayor of London):** 2018/19 is £226 million.

**Keith Prince AM:** That is not the figure I have, Mr Mayor.

**Sadiq Khan (Mayor of London):** I cannot help that, Chair.

**Keith Prince AM:** Is that figure including Oxford Street?

**Sadiq Khan (Mayor of London):** That figure includes all the money that goes towards this area, yes.

**David Bellamy (Mayor's Chief of Staff):** Just for clarity, Assembly Member, the figures under the previous administration include things like Mini-Hollands, likewise investments made in one borough--

**Gareth Bacon AM:** -- The Mini-Hollands are a completely separately funded scheme.

**Keith Prince AM:** I am being told that is not the case, sorry, David, Mini-Hollands.

**Sadiq Khan (Mayor of London):** I am not sure who is asking the question, Assembly Member Bacon or Assembly Member Prince.

**Keith Prince AM:** Anyway, let us move on and thank you for that. It is accepted that you inherited a LIP fund of £206 million but, if we look at the figures you gave --

**Sadiq Khan (Mayor of London):** Chair, that is not accepted.

**Keith Prince AM:** What is not accepted?

**Sadiq Khan (Mayor of London):** What I have set out is --

**Keith Prince AM:** You do not accept the figures --

**Sadiq Khan (Mayor of London):** -- the figures for the previous four years and the figures that I have done.

**Keith Prince AM:** Sorry, you do not accept that the figure when you became Mayor was £206 million?

**David Bellamy (Mayor's Chief of Staff):** That is not the figure for LIP. That is the figure for borough funding.

**Keith Prince AM:** You just gave that figure.

**David Bellamy (Mayor's Chief of Staff):** Yes, it is the figure for total borough funding, which is more than just LIP.

**Keith Prince AM:** One minute you just quoted £206 million as the figure and now you are saying that is not the figure? What?

**David Bellamy (Mayor's Chief of Staff):** £206 million is the figure for total TfL funding of boroughs.

**Keith Prince AM:** That is the figure the Mayor just gave as his figure for LIP funding.

**David Bellamy (Mayor's Chief of Staff):** Indeed. It is the total for LIP and for things such as Mini-Holland, Oxford Street, things like that.

**Keith Prince AM:** I understand you are in a difficult position, David, but one minute the Mayor is saying this is the LIP funding figure and he is right, and the next minute you are saying that is not the LIP funding figure and he is wrong. He is either wrong or he is right. He cannot be both. I know he is a genius but what figure is he claiming for LIP, £206 million or another figure?

**Sadiq Khan (Mayor of London):** Chair, if it will help the Assembly Member - and I try to be helpful to him all the time - I have set out the figures we are giving to boroughs. The allegation made was I cut money from boroughs. Concern was expressed by the Assembly Member that I was spending less on boroughs than the previous Mayor, and I was pointing out to the Assembly Member that, in fact, I am spending far more in boroughs across London than the previous Mayor.

**Jennette Arnold OBE AM (Chair):** I heard the Member talk about LIP funding specifically and so the question, as I understand it --

**Keith Prince AM:** Yes. The answer that the Mayor gave was how much he is spending on LIP funding and then we are being told that the figure he has given us is not the LIP funding figure. I do not mind what figure I am given, but can you just agree among yourselves what figure it is?

**Jennette Arnold OBE AM (Chair):** Assembly Member Prince, can you give the source of your figure for LIP funding, which is your question?

**Keith Prince AM:** The figure I have is from the Finance department.

**Jennette Arnold OBE AM (Chair):** The Finance department has a figure for LIP funding --

**Keith Prince AM:** David Gallie, do you want to give a figure? We will have a bit of a --

**Jennette Arnold OBE AM (Chair):** The LIP funding.



**David Gallie (Assistant Director - Resources, Greater London Authority):** There are figures issued that were before the Oxford Street numbers and then after including the Oxford Street figures, and so there is an issue of LIP funding as against the total borough funding.

**Keith Prince AM:** Yes. The question is around this £206 million figure, which the Mayor inherited from his predecessor-

**Sadiq Khan (Mayor of London):** Gareth [Bacon] is trying to help you out on it.

**Gareth Bacon AM:** Yes, I am.

**Keith Prince AM:** Let me just ask David [Gallie] a question. It is a shame this is all coming off our time. The £206 million figure, then, what is that including? Is that LIP funding or is that not LIP funding?

**David Gallie (Assistant Director - Resources, Greater London Authority):** That includes the Oxford Street funding and so it is the total borough funding, borough investment.

**Keith Prince AM:** For 2016-17 the total borough funding?

**David Gallie (Assistant Director - Resources, Greater London Authority):** In 2016-17.

**Keith Prince AM:** When we ask the question from your department for LIP funding figures, you gave us other figures as well. Is that what you are saying?

**David Gallie (Assistant Director - Resources, Greater London Authority):** The earlier figure excludes Oxford Street. The £206 million includes Oxford Street.

**Keith Prince AM:** All right. My colleague would like to ask a question.

**Jennette Arnold OBE AM (Chair):** All right. Assembly Member Bacon.

**Gareth Bacon AM:** For clarity, who set the 2016-17 Budget? Under which mayoral administration was that budget set?

**David Bellamy (Mayor's Chief of Staff):** That was the previous Mayor.

**Gareth Bacon AM:** Why then, Mr Mayor, did you just claim the £206 million that my colleague has been talking about as your LIP funding? It is not, is it?

**Sadiq Khan (Mayor of London):** Well, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 are the figures that I have set out. The concern expressed by Assembly Member Prince was there had been a reduction in our years compared to the previous figures set by the previous Mayor and I --

**Gareth Bacon AM:** That is true, Mr Mayor, but you claimed 2016-17 as your figures. They are not, are they? You did not set that Budget. It was set by Boris Johnson.

**David Bellamy (Mayor's Chief of Staff):** When the Mayor said that he had spent £20 million more than the previous Mayor, that was allowing for 2016-17 being viewed as a budget set by the previous Mayor, even though the delivery of that took place in this administration.

**Gareth Bacon AM:** Yes, but I am afraid that I must direct you to the answer that the Mayor gave, which was at 2016-17 he claimed that as his budget. It was not.

**Keith Prince AM:** If I could finish my question. It is very confusing, Mr Mayor, so I do understand the difficulty you are in.

**Sadiq Khan (Mayor of London):** Again, Chair, this is like sixth form politics.

**Jennette Arnold OBE AM (Chair):** Mr Mayor, what I would advise you is do not answer until you get a question. What I would like from the Member is a question. Assembly Member Prince, a question.

**Keith Prince AM:** All right, I am looking forward to the answer.

**Sadiq Khan (Mayor of London):** I am looking forward to the question, Chair. It would be nice, would it not?

**Keith Prince AM:** Mr Mayor, the question is: you promised not to cut LIP funding this year. You did. Are you promising not to cut LIP funding going forward and will you for once keep your promise?

**Jennette Arnold OBE AM (Chair):** That is a good question.

**Sadiq Khan (Mayor of London):** Let me try to address that. I have increased the amount of monies boroughs receive from TfL. It is £20 million more next year than ever produced by the previous Mayor. I am really proud of the contribution we are making to local boroughs, in the context of central Government cutting from TfL its annual costs of £700 million. I have taken on board the £700 million cut from central Government. I have frozen TfL fares and, notwithstanding that, I am investing more in local boroughs over the next four years than Assembly Member Prince's previous Mayor ever did.

**Keith Prince AM:** Was the question about fares then, Madam Chair?

**Jennette Arnold OBE AM (Chair):** Did you receive the assurance you were seeking?

**Keith Prince AM:** No, I did not and he has wasted my time talking about fares. I want a refund.

**Jennette Arnold OBE AM (Chair):** Do you have another question?

**Keith Prince AM:** No, I cannot be bothered to ask him question after question and he keeps answering the question about a completely different subject.

**Jennette Arnold OBE AM (Chair):** OK. Assembly Member Tony Devenish?

**Tony Devenish AM:** Good morning, Mr Mayor. I have read very carefully - as I am sure you have - the Budget and Performance Committee's excellent report, and thank you to the Members that sat on that Committee. On page 26, recommendation 6, the cross-party Committee were quite concerned with regard to the maintenance of roads and I quote from the TfL Business Plan, which is quoted here, "That may mean a slight dip in asset condition from the current levels", footnote 26. Have you had a chance to reflect on that please, and can you reassure us that our roads are not going to start decaying?

**Sadiq Khan (Mayor of London):** No, I cannot reassure you. Central Government has made massive cuts to our budget. From 2020 all the road tax collected from London will be given to the rest of the country. The situation we have reached in London now is where we are having to use public transport fares to cross-subsidise

roads. I am afraid that means the quality of roads in London will deteriorate, so I will be lobbying the Government to try to, at the very least, hypothecate the monies raised from vehicle excise duty from London, so we can spend it in London.

We have a particular situation now where roads that come into London will be maintained by central Government until they reach London, but as soon as they reach London they are not invested in by central Government. That is why I cannot give you the reassurance that you would like, Tony.

**Tony Devenish AM:** Thank you for that. Can we park the “it is all Government’s fault”? I appreciate that we all have to live within our budgets. Have your engineers had the opportunity to look at the asset condition and, when it says “a slight dip”, can you in any way reassure me that you will be managing the road network effectively going forward with your asset teams, and what response in terms of a slight decay are we talking about, please?

**Sadiq Khan (Mayor of London):** Just so I am clear, Chair, is the Assembly Member suggesting that TfL does the asset management for local authorities on their roads or on TfL roads?

**Tony Devenish AM:** It is obviously on TfL roads.

**Sadiq Khan (Mayor of London):** All right. On our roads, of course, we assess the maintenance of our roads but I have to be frank, Chair, with the Assembly, in the short to medium term, TfL will reduce their programme of proactive capital renewals on the road network. Of course, we will carry on doing reactive stuff to make sure the road is maintained. That will lead to the need to assess the quality of our roads. As I said, at this minute I do not need to talk about it but, in the medium to long term, things will get far worse unless central Government changes its mind.

**Tony Devenish AM:** I will leave it there. Thank you.

**Jennette Arnold OBE AM (Chair):** OK. Assembly Member Hall?

**Susan Hall AM:** Thank you, Chair. Mr Mayor, Assembly Member Pidgeon asked such a good question. I am sure every one of us would like to hear the answer. Since you are more likely to answer her than us, anyway, the question was:

*“Passenger rates have been falling for the past two years. Last year’s Budget [which was 2017-18] forecast that TfL passenger income would be over £140 million more than it was. When was the last time that TfL achieved a £1.2 billion increase in passenger income within three years?”*

**Sadiq Khan (Mayor of London):** Within 3% you said. That was the percentage figure?

**Susan Hall AM:** Yes.

**Sadiq Khan (Mayor of London):** In 2015-16.

**Susan Hall AM:** I am listening. I am all ears.

**Sadiq Khan (Mayor of London):** Sorry, Chair, the Assembly Member asked for a year. I gave a year, 2015-16.

**Susan Hall AM:** That they increased the income within three years, yes?

**Sadiq Khan (Mayor of London):** Sorry, do you mean - I am confused - within 3% or within three years?

**Susan Hall AM:** Within three years.

**Sadiq Khan (Mayor of London):** I have a table in front of me, Chair, in relation to the fares forecast versus fares raised and so, for example, in 2012-13 0.6% more fares were raised than predicted. In 2013-14 0.3% more fares were raised than predicted. In 2014-15 and 2015-16, minus 2% and 2016-17 minus 3%.

**Susan Hall AM:** OK. Thank you very much.

**Sadiq Khan (Mayor of London):** I am always happy to help.

**Jennette Arnold OBE AM (Chair):** Assembly Member Kurten?

**David Kurten AM:** Thank you, Chair. I want to clarify some of the figures we have been discussing in the last few minutes, so for the next --

**Sadiq Khan (Mayor of London):** The fares, or the local transport investment in councils?

**David Kurten AM:** On LIP funding and cycling funding and the sale and leaseback agreements. For the next financial year, 2018-19, LIP funding is £174 million. Is that correct?

**David Bellamy (Mayor's Chief of Staff):** That is total borough funding excluding Oxford Street, which is a borough project.

**Sadiq Khan (Mayor of London):** For 2018-19 it is £226 million.

**David Kurten AM:** The £226 million is with Oxford Street and £174 million is without Oxford Street. Is that correct?

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

**David Kurten AM:** OK. That means you have £52 million just for Oxford Street?

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

**David Kurten AM:** OK. We have £101 million for cycling projects. Is that correct?

**David Bellamy (Mayor's Chief of Staff):** The figure I have is £111 million.

**David Kurten AM:** Sorry, £111 million, yes. Are they two completely separate pots of money? Is the £111 million for cycling completely separate to the £174 million for LIP funding?

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

**David Kurten AM:** Thank you very much. The sale and leaseback agreement, has that already been agreed? Do you know the figures on that? Do you know how much you are going to get for that?

**Sadiq Khan (Mayor of London):** No. Tom Copley AM asked about this, so we are going to negotiate that and obviously we do not want to give away our hand in relation to the negotiation.

**David Bellamy (Mayor's Chief of Staff):** It was agreed in principle as part of the business planning process. There are some prudent assumptions in the TfL budget, but formal approval will come from the TfL Board and committees as the detailed tender is taking place.

**David Kurten AM:** Thanks. The £111 million for the cycling, that is for things like CS4 and CS9, is that correct, along the red routes along TfL?

**Sadiq Khan (Mayor of London):** That sort of stuff.

**David Kurten AM:** Great, thank you. That is just to clarify. Thank you very much.

**Jennette Arnold OBE AM (Chair):** Can I ask the Conservative Members to use the buttons at the side of their desks in their conversations? Assembly Member O'Connell.

**Steve O'Connell AM:** Duly told off. All right, Mr Mayor, we have heard much this morning about financial pressures from Government savings as a narrative there but, for the sake of balance, you will be aware that there are proposals for the creation of a major road network coming from Government with new funding of about £1.6 billion. This is out for consultation at the moment. The consultation ends on 19 March [2018]. Bearing in mind that matters of roads are your roads, TfL Road Network roads, can you confirm that you will be asking TfL to enter into that consultation and to bid for funding within that pot?

**Sadiq Khan (Mayor of London):** Yes. I am quite good at responding to conversations and have very good links with the Department for Transport. We are also lobbying several from that about some of the stuff I have raised in answer to a previous question.

**Steve O'Connell AM:** It is only two months away. You are putting in a detailed bid around that. I would declare an interest in my area, the A22 and A23 meet at Purley. It has a long history of congestion. This pot of money is designed, among other things, to reduce congestion and support all road users. Can I urge you to ask TfL to bid for a fair and significant pot of that money for Londoners generally and also for my constituency?

**Sadiq Khan (Mayor of London):** Yes. Chair, can I suggest that I ask my Deputy Mayor for Transport to speak with you? Can I put out the invitation to other Assembly Members about any particular issues in their areas as well? I am happy to.

**Steve O'Connell AM:** Thank you, Mr Mayor.

**Jennette Arnold OBE AM (Chair):** Lovely. That is it. Have I missed anybody? No. Thank you.

Let us go on to the London Legacy Development Corporation (LLDC). Do Members have any questions about the draft budget for the LLDC?

**Andrew Boff AM:** Mr Mayor, when will the LLDC be self-funded?

**Sadiq Khan (Mayor of London):** I cannot give you a date I am afraid, Andrew. You will know the challenges in revenue and capital. We have put a cap on borrowing. Over the course of the next early few years, what I see is there will be less funding than there has been in the past, but I cannot give you a date by which time it will be self-funding.

The good news is we are making more money than council tax and business rates in terms of revenue streams. The good news is we have managed to reduce some of the revenue costs, but it is difficult to give you an exact date because of what happens with housing developments, what happens with the London Stadium. We are also thinking about other revenue streams on the Olympic Park as well.

**Andrew Boff AM:** At the time of the Olympic project, Londoners were promised that the LLDC would be self-financing. Do you think that Londoners would expect us to at least have a target date of when they can stop being expected to put their hands in their pocket to support what is a white elephant?

**Sadiq Khan (Mayor of London):** That is a bit unfair, in the sense of it just being a white elephant. The real answer to that - if you permit me - is there will be huge benefits to the redevelopment and regeneration that are not quantified simply in terms of transactional monies. That part of London will be regenerated, with the Stadium being there, the Olympic Park being there, and the other activities that have been there as well. We have a new Chief Executive, she begins very shortly. She understands the importance of making sure that we get a good deal going forward. You will be aware of the exciting plans for the Cultural and Education District (CED). We are soon to announce some of the partners involved in that, Andrew, and hopefully you will find that exciting.

It is a bit unfair to - you were not doing this, but you were saying what some people are saying, and they are saying this - characterise this being a money pit that has taken money away from London because we will benefit from the CED and when you have seen the deal hopefully you will be excited. We will benefit from tighter reins on some of the finances around the Stadium and we will benefit from the housing that is being built there, including affordable housing, and of course the businesses that are there and the jobs they create.

**Andrew Boff AM:** You commissioned the Moore Stephens report surely on the basis that the taxpayers were not getting value for money from the Olympic Stadium?

**Sadiq Khan (Mayor of London):** Yes. If we can just disentangle the Stadium from the wider regeneration, so the Stadium, you are right, there are big issues about the Stadium going forward. The three big pieces of work we are going to do there - and the Chief Restructuring Officer is doing this - is making sure that we work with West Ham Football Club - they are our partners - to make sure we can maximise the revenues. There is some good news there, Andrew, as a consequence of the Moore Stephens report and the work the Chief Restructuring Officer is doing. We have reduced seating costs next year, though not down to zero, I am afraid. It has gone from £12 million last year to £4 million. Some contracts that we have negotiated that bring in £870,000 a year we will not get in before. We have also reduced other operational costs in relation to lighting but, you are right, we have to make sure we action the recommendations made by Moore Stephens but, also, I am optimistic that the Chief Restructuring Officer can show enough evidence that we can reduce revenue costs going forward, so it reaches a stage where we are not contributing anything towards revenue.

**Andrew Boff AM:** As a result of optimistic noises from the GLA, Newham residents lost over £50 million worth of taxpayers' money. Do you think it is time somebody took responsibility for that and that perhaps Sir Robin Wales [Mayor of the London Borough of Newham] should resign?

**Sadiq Khan (Mayor of London):** Chair, this is a budget Plenary meeting. I am quite clear that the residents of Newham have seen huge benefits from the regeneration and from the Stadium. I am just sorry that Robin's team are doing so badly - at West Ham that is, rather than the Council. It is important to see the benefits, as I said, of regeneration of that part of London. Robin is one of the Council Leaders and the five Leaders have all played a huge role. They deserve credit for that previously deprived area being regenerated.

**Andrew Boff AM:** It looks like, do you not think, Mr Mayor, that Robin's team is doing badly at the Olympic Park, in the Council and, indeed, in the local Labour Party there? Perhaps not. I will withdraw that.

**Jennette Arnold OBE AM (Chair):** You will withdraw that? The question is withdrawn. Do not get excited.

**Andrew Boff AM:** Thank you.

**Jennette Arnold OBE AM (Chair):** OK. Any more questions?

**Jennette Arnold OBE AM (Chair):**. No other questions for that.

Let us go then to the Old Oak and Park Royal Development Corporation. Are there any questions in that area? No. Thank you.

We have covered all of the statutory sectors. Can I say thank you to the Mayor for his engagement with us this morning, and thank you to David Bellamy, the Mayor of London's Chief of Staff, and to David Gallie, the Assistant Director of Group Finance? Thank you, David [Gallie] for stepping in because we understand that Martin Clarke [Executive Director of Resources] is not well and so we send him our best wishes. Thank you for coming.

**Sadiq Khan (Mayor of London):** Thanks, Chair.