

London Assembly (Mayor's Question Time) – 22 February 2018

Transcript of Agenda Item 4

Oral Update on the Mayor's Final Draft Consolidated Budget 2018-2019

Jennette Arnold OBE AM (Chair):

Good morning, Mr Mayor. Can I ask you to present your final Budget proposals, focusing on any changes that you have made to that Budget since you last presented it to us on 25 January?

Sadiq Khan (Mayor of London): Chair, Assembly Members and the public gallery, it is a pleasure to be here today to discuss the details of the final Draft Consolidated Budget. As I said at our last meeting in January, this Budget is designed to deliver on my ambition to ensure that all Londoners get the opportunities that the city gave to me. I do not have time in my opening, Chair, to list everything in our Budget today and so I will focus on what has changed, as you have suggested, since we last met in January.

The most immediate challenge facing our city is the rise in crime that is happening across Britain after years of Government cuts to policing and preventative services. The Government has repeatedly refused to act on the funding crisis facing police services across Britain and has left me with no choice but to take the unprecedented step of increasing police funding from London business rates as well as council tax.

In January, I announced an extra £49 million for the Metropolitan Police Service (MPS) from raising Council Tax. I can confirm today that I will invest an extra £59 million a year to support an additional 1,000 police officers than would otherwise have been affordable in 2019/20. I have allocated an extra £5 million in 2018/19 to the Mayor's Office for Policing and Crime (MOPAC) to spend on recruiting additional police officers. This is the maximum additional amount the MPS can spend on officer recruitment given the amount of time it currently takes for the MPS to recruit new officers, something the Commissioner [of Police of the Metropolis] and I are keen to speed up.

I am also providing an additional £55 million to MOPAC in 2018/19 to reduce its borrowing, which will lead to a saving of £3.3 million in capital financing costs in 2019/20 and later years. The money saved will be used each year to fund the MPS's work with Londoners with mental health issues. In addition, in 2018/19, I will provide £2.1 million for this mental health work and £600,000 for work to tackle violence against women and girls.

However, tackling rising crime will also require us to be tough on the causes of crime. Therefore, in this Budget, I have created a new £45 million Young Londoners Fund to support education, sport and cultural activities for the next three years. £10 million will be used for a new fund into which local communities, charities and schools can bid for funding. £5 million will be used to scale up existing City Hall projects in this area.

In the face of ongoing risks from the Government's chaotic handling of the Brexit negotiations, boosting London's economy is crucial. I am pleased to announce that we are currently inviting bids from across the Greater London Authority (GLA) Group for a new £140 million fund for strategic investment projects to help

address the workspace, infrastructure and housing challenges that are barriers to economic growth. This is funded from £113.6 million from the business rates devolution deal negotiated with the Government. In addition, I am providing £26.4 million from additional one-off business rates.

In light of representations made by London boroughs and Assembly Members, I am allocating an additional £11.6 million to Transport for London (TfL) in 2018/19 for boroughs to invest in local projects that support the Healthy Streets approach set out in my draft Transport Strategy. That is an average of £350,000 in extra funding for transport this year for each London borough from my January Draft Budget. This is a one-off allocation and future-years funding will be considered as part of TfL's business planning process later this year. It means that despite the Government cutting TfL's £700 million annual operating grant to zero, in total an unprecedented £237 million will now be given to London boroughs to spend on local projects in 2018/19.

Other changes from my previous Draft Budget include £47 million for an additional public sector partner to enhance an offer in the Cultural and Education District; a temporary additional £11.8 million to the London Fire Commissioner to ensure that the capital programme is not affected by the sale of the Southwark Fire Station site; £6 million for TfL to provide toilets for bus drivers so that they have basic dignity at work; £1.3 million for a homeless mental health project; and £1 million to boost the London Borough of Culture Programme. I am also ensuring sufficient administrative funding is available to support the devolution of the adult education budget to the GLA, which is critical in the face of Brexit, and for next year's GLA pay review.

Ahead of this year's Budget, I was pleased to receive representations from Assembly Members on some of the specific challenges we face as a city. I am pleased to be able to announce today that I have chosen to allocate additional funding in some of these areas. I received representations from Assembly Member Leonie Cooper about improving London's environment as the Government continues to exclude London from national funding. I am pleased to allocate an additional £6 million for environmental projects, which will enable further action on air quality, single-use plastics, expanding London's water fountain network, and additional funding for green space and trees.

Chair, you and Assembly Member Shah, long-time campaigners against the abhorrent practice of female genital mutilation (FGM), put forward proposals to do more to raise awareness of FGM across our city. I have agreed additional funding as part of our increased investment in tackling violence against women and girls.

As the Assembly knows, I have been very vocal in my support for European Union (EU) citizens - Londoners - who live in our city. I have accepted the proposals from Assembly Member Fiona Twycross to put aside money in my Budget to provide an online advice hub for EU citizens to support them through the coming years as their residency status will change.

Other representations reflected in the final Draft Budget include Assembly Member Unmesh Desai's request to supplement existing work on tackling modern-day slavery; representations from several Assembly Members on childcare; and Assembly Member Len Duvall's request for more to be done to combat domestic abuse across the city, and also to work with our fantastic cultural institutions and support them to take artefacts into care homes to revive the memories of dementia sufferers, something that Assembly Member Dr Onkar Sahota lobbied for, too.

To be clear, the increased sums available from the previous draft of my Budget are possible because of the strong statutory returns from billing authorities for business rates. The uncertainties associated with business

rates, including the appeals process, and the large sums of money involved meant that there was a wide range of potential outcomes. As an example of this, one authority alone - Westminster - is responsible for the entire increase in the business rates collection fund surplus of £74 million. My officers and I have taken a prudent view since the start of my administration on what business rates growth we could expect. I will continue this approach and will not take risks with London's finances. That is why I have also allocated £2 million to fund future GLA Group collaboration initiatives to deliver further efficiency savings for the benefit of London taxpayers.

I look forward, Chair, to discussing these proposals in more detail.