

London Assembly (Mayor's Question Time), 29 January 2014

**Transcript of Agenda Item 3a:
Draft Consolidated Budget 2014/15 – Report of the Mayor**

Darren Johnson AM (Chair): That takes us on to item three which is the Draft Consolidated Budget 2014/15. Further to Standing Order 6.3, this meeting will be used principally to consider the Mayor of London's 2014/15 Draft Consolidated Budget proposals. I will begin by asking the Mayor to present his draft budget proposals then the Chairman of the Assembly's Budget and Performance Committee will present that Committee's report, which responds to the Mayor's consultation budget proposals. Following that, the Assembly will put questions to the Mayor on the budget proposals section by section in the order set out in the budget document for up to two hours. Finally, the Assembly will move to debate and vote on those budget proposals.

This is the first of a two stage budget-setting process and the Assembly is due to make a final decision on the budget in the London Assembly (Plenary) meeting on 14 February 2014. Can I now ask the Mayor to present his draft budget proposals for 2014/15?

Boris Johnson (Mayor of London): Thank you very much, Darren. Good morning, everybody. Thank you for giving me this second opportunity to persuade you the merits of, I think, an excellent budget. I thank again all those who have had a hand in drawing it up.

It is now obvious that the UK economy is staging a recovery across all sectors led by the private sector. Last week we heard that unemployment has dropped by 160,000 across the country to a rate of 7.1%. In London, it fell by 18,000, the number of people in work rising by 54,000. We now have 5.2 million people in work in London, an all-time high. Last week the International Monetary Fund upgraded the UK's growth forecast of 2.4%. That is faster than any other European economy and we can be proud in London that we are now contributing a record share of that. London is growing at 3.8% this year, according to the Centre for Economics and Business Research. We are now up to almost 25% of UK gross domestic product, more than this city has ever contributed before.

Clearly, the job of us in this place and my job is to help to create the platform for future growth. I am very pleased to say as you, Darren, and Members of the Assembly will know, Crossrail is on time and on budget at the halfway stage, an extraordinary advertisement for British engineering. We are going ahead with the extension of the Northern line. The transformation of Battersea Power Station is blasting ahead. All the upgrades of the Tube are on track. Tube delays are down by 40%. We are continuing to make great improvements in the quality of life for people in our city and crime is down by over 11% in just the last two years. Bus crime, which is not crime committed by buses, but crime that takes place on buses – crime committed by buses is very rare indeed – is down by 40% in this mayoralty. You are seeing big improvements in air quality, which I know matter a great deal to Members of the Assembly who have campaigned on this over many years. NOx [nitrous oxide] is down by 20%; PM2.5 and

PM10 [particulate matter pollution] down by 15%. We are making great progress in reducing our CO₂ output. CO₂ emissions are down by about 20% since 2008. I know there has been a lot of conversation in London about fire safety. I am proud to say that the number of fires in London is at its lowest levels since records began, down 64% in the last decade.

All those improvements in London have been achieved against a background, as everybody knows, of considerable financial constraint. We have done it while bearing down very heavily on costs throughout our budgets. I am proud to say that I am again presenting a budget that cuts City Hall's share of council tax by 1.3% - cue ovation, thank you - in top of the reductions last year and the year before. Since I have been elected, there has been a reduction in real terms of 24% in my share of council tax against a background of diminishing government grant. That is compared to a record, under the previous administration - which we do not mention - of an increase of 152% - or 124% in real terms. We have cut council tax substantially both in real terms and in nominal terms. We have been able to do this because we have continued to make savings where we can in our budgets. We have identified a further £349 million in savings for 2014/15, a further £291 million for 2015/16.

Now, you will remember that in 2012 when I was re-elected I promised I would bear down as far as I possibly could on fares for London commuters. I am delighted that we have been able to do so because of further savings found in Transport for London (TfL). We have managed to keep this year's fare rises at below inflation while maintaining our investment programme and, where we have led in London, I am delighted to say the country has followed. As Stephen Knight [AM] so eloquently put it in a previous session of our proceedings, "Rail users from Cornwall to Corby, have this administration to thank for inflation-only increases this year". That is absolutely right. Thank you. You are kind.

We will continue. I want to assure Members of the Assembly who keep a very beady eye on these things that we will continue to exploit all the opportunities of new technology to minimise costs and continue to take very substantial savings out of TfL budgets. When you look at what is coming down the track, we can anticipate further billions of pounds of savings in that area, while maintaining and even accelerating our investments.

I have listened to all the submissions from Members of the Assembly over the years, but I have listened particularly to the GLA Conservatives and noted Roger Evans' [Deputy Chairman] excellent report on how we should have ticketing that helps those in part-time work. Thank you, Roger. I can announce today that the introduction of contactless bank card payments on the London Underground and rail services later this year will not only provide customers with more flexibility but also provides the opportunity for TfL to develop more flexible ticketing. We will, therefore, be introducing ticketing products that specifically address the needs of part-time workers from the beginning of next year. Thank you very much, Roger. Thank you to the GLA. Thank you to the GLA Conservatives for your heroic campaign, virtually alone. I will just repeat the key point, because Londoners will need to know this, in spite of this, we have protected TfL's capital programme and actually increased the GLA's investment budget by £1.1 billion. That is a 20% increase in the GLA's investment, in actual capital investment, which is the lifeblood of our city.

We are putting in the infrastructure that will be necessary to cope with what I am sure you all know is the considerable demographic challenge that we face. I do not need to rehearse the population figures that you are seeing now in London. We have a massive challenge to build new homes. That is why, earlier this month, we published the proposed Further Alterations to the London Plan, which I hope you have studied, a gorgeous lavishly illustrated document with new opportunity areas in Harrow; in Bromley; along the Old Kent Road; in Canada Water; the wholesale transformation of Old Oak Common, where Crossrail and HS2 are in my view going to create a new Canary Wharf in the west of the city. It is an absolutely extraordinary vision for London.

This budget underpins all that work. For example, through the London Enterprise Panel, we are supporting schemes that will improve rail links in the Upper Lee Valley - which are absolutely crucial for regeneration in that area - major road improvements in Bexley, and we are supporting Ealing so that that borough can take best advantage of the arrival of Crossrail. Together, these investments will safeguard or create 45,000 jobs.

We intend, clearly, to go on with the revolution that you are seeing in east London around the Stratford site, upgrading the Hackney Wick station. You will have seen what is happening in the park already. We are reopening the park on 5 April as I announced to you only a couple of weeks ago. The London Legacy Development Corporation has succeeded in finding long-term uses for the International Broadcast Centre/Main Press Centre (IBC/MPC). We have BT Sport there now. Loughborough University has signed in to move there. We are going to have 4,000 jobs in the IBC/MPC.

In summary, we are going to be delivering a fantastic Olympicopolis on that site in Stratford. We will be bringing great London institutions; museums and higher education. We will continue to make great improvements in the quality of life. We will be retrofitting more public buildings, more private buildings. We will be sustaining the continued improvement in London schools, which by the way now are better, unlike any other European capital. The schools in our city outperform those in the periphery or those around the capital. There is no other European city that is achieving that and we will continue to sustain those improvements through the London Schools Excellence Funds and the Gold Club. You are seeing continuing falls in crime which we will support by keeping police numbers high, at or around 32,000. We will make sure that under the fifth London Fire Safety Plan (LSP5), the first and second fire engine will get to any incident within their targets of six or eight minutes respectively.

Above all, we will continue to build record numbers of affordable homes as we have done over the lifetime of this mayoralty. I am confident that we could do 100,000 new affordable homes. It is the biggest single challenge facing our city and I would stress that it would be a mistake under any circumstances - and I hope the Assembly would agree with this - to turn our backs on some of the international investment that is coming to our city and is enabling us to build hundreds of thousands of homes for Londoners. We are attracting that confidence around the world by continuing drive crime down, to invest in infrastructure, to improve the quality of life in our city.

That is what this budget underpins. That is our objective here in City Hall. I believe it is a budget for the long term. It is a budget for jobs. It is a budget for growth. I commend it to the Assembly.

London Assembly (Mayor's Question Time), 29 January 2014

Transcript of Agenda Item 3b:

Draft Consolidated Budget 2014/15 – Response by the London Assembly's Budget and Performance Committee to the Mayor of London's GLA Group Budget Proposals and Precepts 2014-15 Consultation Document

Darren Johnson AM (Chair): I now call the Chairman of the Assembly's Budget and Performance Committee to present that Committee's report on the Mayor's budget.

John Biggs AM (Chairman, Budget and Performance Committee): Thank you, Chair. For avoidance of any confusion, I am normally more combative than I am going to be now, because now I am speaking on behalf of the Assembly's Budget and Performance Committee, which works very constructively and consensually in helping to get us ready for today's meeting. Can I thank all my colleagues on the Committee for the work they have done in reaching this point.

Although we live in a world of confrontational politics, there have been a lot of changes to the budget as a consequence of our scrutiny. Mayors rarely credit this but many, many changes have happened and we think we have a product that is a lot more improved and that has been honed down to those points where there will be fundamental political disagreement and where we can have a rigorous debate. I think it is important to make that point because members of the public who might get cynical about politics would be surprised to hear that we actually do a lot of very constructive work in the background.

Once again, the context of this budget is that there are quite severe spending cuts, although they are milder for City Hall than they are for most local authorities for a number of reasons, good and bad. This means threats to jobs and services in a number of ways, which we will be debating today. We have looked at a number of areas in which the performance of City Hall should be examined and that is the purpose of the Assembly.

The first is on policing, where the Mayor has said that recorded crime is declining. The record shows that, in the past ten years, crime has been falling, but slower than other parts of the country. We find that, while crime fell by 27% between 2002 and 2012, it fell by 38% for the rest of England and Wales and by 50% in the other major urban centres. We were concerned about that and were very pleased that the Mayor's Office and the Mayor's Office for Policing and Crime has agreed to get Her Majesty's Inspector of the Constabulary to do some serious work into understanding why that is the case, because clearly keeping Londoners safe is a vital requirement.

We also looked at the question of police technology and found that again the Mayor and Metropolitan Police Service have accepted this and are working on it. The Metropolitan Police Service are very much behind on their technology. They spend an awful lot of money. The service is very inefficient as a result of that. Officers may have to log on to ten different systems in order to record a crime, sometimes more than that. We note with pleasure that the

Metropolitan Police Service is doubling its investment in technology, but we want to make sure that is productive. The third point, I think, on crime is maybe a tribute to the previous Mayor that the *quid pro quo* of those council tax increases was that we have the highest ever number of police officers in London. It is a cross-party agreement that we should preserve those numbers, but clearly with pressures on budgets maintaining numbers of police officers while maintaining the capacity of police to keep Londoners safe is something that we need to keep a very firm eye on.

On the fire service, we had a very long debate last year about the impending cuts in the fire service, which are now being carried out. We noted as a Committee that the funding position for 2016/17 onwards is very uncertain and we raised our concerns with the Mayor's Office about that. We are pleased that in the final budget in front of us today the Mayor has committed to providing funding for the London Fire and Emergency Planning Authority to avoid the need for further major frontline realignment over the lifetime of the fifth London Safety Plan 5 from 2013 - 2017, which sounds a bit technical. It basically means we have had a big cut in the past here in the fire service. The Mayor is now undertaking - and we need to examine this - that he is going to protect it from further savings, further shocks in the next period.

Another area of anxiety for us is that the GLA is quite keen to dispose of its land assets, which are quite considerable in London. This needs to be properly examined. We need to make sure, for example, that we do not dispose of land that is needed for other public purposes and the organisation works effectively together. We know that the Mayor is bidding to make other government land available in London and we support that, but again it needs to be examined thoroughly and fitted into an overall budget strategy.

Transport will be the subject of a lengthy debate, I am sure, today and at future meetings of the Assembly on the budget. There was some confusion with government. We are not quite sure who is the tail and who is the dog on the fare cuts, but as a consequence of a delay in the government's decision-making, Transport for London (TfL) has lost £13 million from that delay. The fare increases and use of technology in TfL are areas that are welcomed by us. Obviously there are concerns about the savings and cuts.

Moving on to the final stage, then, which is that the budget process has been a bit clunky in some shapes and forms. TfL is not yet as transparent as the rest of the GLA family. We are pleased at assurances that it will become more so. We are frustrated that the GLA's budget prioritisation process was not included in the earlier stages of the budget and that means that we cannot examine some of the prioritisation at City Hall, which is quite important on a whole number of critical areas including the environment spending.

Finally then, we have alerted the Mayor and the debate to a range of concerns about the budget-making this year. Can I thank my colleagues for the work they have performed in carrying this out? Now to battle comrades.

London Assembly (Mayor's Question Time), 29 January 2014

**Transcript of Agenda Item 3c:
Draft Consolidated Budget 2014/15 – Questions to the Mayor on his
Draft 2014/15 Consolidated Budget Proposals**

Darren Johnson AM (Chair): We then move on to questions for the Mayor on his Draft Consolidated Budget, section by section in the order set out in the budget. The first questions will come from the GLA Conservatives on the Mayor of London component.

Gareth Bacon AM: Mr Mayor, the GLA Conservatives congratulate you on the 24% real-terms reduction in the cost of London governance under your mayoralty. I want to ask you about your precept proposals for this year. We welcome the cut in the precepts and the cut that went in the preceding years as well. The cumulative reduction in your term is 2.52% cut to the precept. Your manifesto promised a cut of 10% over your second term of office. Are you still on course to achieve that 10%?

Boris Johnson (Mayor of London): I believe we are, Gareth, and I am grateful to you and the GLA Conservatives for the continuing pressure that you put on this. Obviously, it is a little bit backloaded as you can see but I am absolutely confident we will be able to achieve it.

Gareth Bacon AM: Thank you, Mr Mayor. I think we would be very interested in the measures that you are going to bring forward to achieve it, but I think those will be for another time and another place. I would also like to ask you about a report that my colleague Steve O'Connell wrote which is called *From Lock-up to Start-up*, which taps into your keenness to use available land through the city to create the right economic conditions for job creation and growth. Would you be prepared to support a proposal that may or may not come up in the Conservative amendments this afternoon to fund a pilot to convert empty garages into suitable space for founding start-up businesses?

Boris Johnson (Mayor of London): Yes, I am very keen to do that and it might me something that we might want to look at through the Outer London Fund. Obviously, we are very interested. Are you talking about petrol stations for garages?

Gareth Bacon AM: No, it is disused lock-up garages.

Boris Johnson (Mayor of London): Disused lock-up garages, I am keen to support that. Some places may be easier to do than others, but I see no reason why we should not explore that. As you know, one of the things we are trying to do is to encourage boroughs – and boroughs are doing a great deal themselves already – to enable empty premises to become pop-up businesses of one kind or another and we are certainly trying to encourage that as well.

Stephen Knight AM: Mr Mayor, two weeks ago at the Budget and Performance Committee, I asked you what the cost of the precept cut was to the budget and you said £10 million. I then

asked you what would be your priority if you had an extra £10 million to spend? You told me, “I am very keen to support the apprenticeship programme. There is more that we can do that would attract me greatly. We have been working hard. We have done a lot. The question is how can we get it up to 250,000?” You told that Committee that, if you had an extra £10 million, your priority would be to boost the apprenticeship programme so that it could get up to 250,000 in numbers, which it is currently not on course to do, sadly.

Mr Mayor, clearly, your priority is to put a council tax cut of 33 pence a month ahead of getting more young Londoners into careers.

Boris Johnson (Mayor of London): No.

Stephen Knight AM: Is there anything you can say though really to justify that?

Boris Johnson (Mayor of London): Yes, of course, because I think it is absolutely typical of the Liberal Democrats. There is any number of things you could do with £10 million across the spectrum of government spending. Of course, there are any number of sensible and civilised priorities that you could adopt to spend £10 million. What I do not think is reasonable is to continue to whack up council tax in the way that the previous administration did, supported then as they were by the Liberal Democrats, who have now opportunistically hitched their wagon to our star for the time being.

Stephen Knight AM: Mr Mayor, nobody has suggested whacking up council tax.

Boris Johnson (Mayor of London): If you are seriously saying that you believe that we should put up council tax for absolutely everybody who pays council tax in this city when we have been going through very tough times, then I think you are wrong. If that is the policy of the Liberal Democrats, I think you need to tell the public about it more volubly.

Stephen Knight AM: Mr Mayor, as you very well know, nobody has suggested putting up council tax at all.

Boris Johnson (Mayor of London): You are. Yes, you are.

Stephen Knight AM: What you are suggesting, Mr Mayor, is a council tax cut, a council tax cut which reduces your income by £10 million and means you cannot put the money into apprenticeships, a council tax cut that is so trivial that most Londoners will not notice it. The GLA Conservatives on the Assembly earlier when you announced it, judging by the lack of enthusiasm --

Boris Johnson (Mayor of London): On the contrary, I thought they were ecstatic.

Stephen Knight AM: -- recognise that it is so trivial that most Londoners will not even notice the difference.

Boris Johnson (Mayor of London): I think what Londoners will take away from this is that you want to whack up council tax and those who are proposing for Liberal Democrats in May's elections will know where you are coming from.

Stephen Knight AM: Mr Mayor, what does it say to young Londoners that you put the price of their future at less important than 33 pence a month?

Boris Johnson (Mayor of London): What it says is the Liberal Democrats are talking complete nonsense.

Stephen Knight AM: Are they worth less than 33 pence a month, Mr Mayor?

Boris Johnson (Mayor of London): Not for the first time in their lives, they are talking out of the backs of their necks. Young Londoners will know that we have led. I am grateful to Kit [Malthouse, Deputy Mayor of London for Business and Enterprise] for all the work he is doing on this, and continues to do. We have led a programme in London that has so far delivered 130,000 apprenticeships. We are going to go on and do 250,000. We can do it with our existing resources. What I will not do is I will not adopt the policy of the Liberal Democrats, which is patently to go back to the bad old days of whacking up council tax without any sense of frugality or economy in the administration of public finance.

Candidates across London will be grateful to Stephen Knight for this morning's admission that the plank of the Liberal Democrats' campaign is going to be higher council tax. That is a very important discovery.

Fiona Twycross AM: You mentioned in your introduction London's growth, but this masks an increased polarisation of wealth, as I am sure you are aware. Does your budget do enough for those who are on low incomes?

Boris Johnson (Mayor of London): It does two things. First of all, it is very interesting actually, Fiona, if you look at some of the data that we are starting to see, possibly because of the improvement in schools and other socio-economic changes in London, a reduction in some of the disparities that we have been used to dealing with over the last few years. For instance, in life expectancy, you are starting to see a narrowing of the gap between socio-economic groups, which is quite extraordinary, even though life expectancy is rising massively across the city.

The second most important point is that the best way to deal with what has been historically, in the last 20 or 30 years, a growing wealth gap is to create employment and get people into work. That is why I think some of the figures that you are seeing for London are so encouraging. The creation of 54,000 more jobs, 5.2 million Londoners now in work, that is the best way to security and productivity for millions of young people in our city and that is what we are encouraging.

Fiona Twycross AM: Wages are falling in London though. In particular the problem of poverty pay and in-work poverty is getting worse. According to the London Poverty Profile,

600,000 Londoners now earn less than the London Living Wage, which is 180,000 more than when you came into office. Given that this is one of your flagship policies that you want to push, I think for all your talk, you are failing on the London Living Wage. Given the problem of poverty pay is getting worse, why have you decided to not allocate more resources to help reverse this trend?

Boris Johnson (Mayor of London): On the contrary, I would say that the London Living Wage is one of the successes that we have seen in the last few years.

Fiona Twycross AM: There are more people not getting it.

Boris Johnson (Mayor of London): Could I possibly just finish the point. We have seen a 700% increase in the number of people being paid the Living Wage. We have seen a massive increase. I think we now have about 260 firms that pay it, some of the biggest names in London. I would like to see more. I can tell you that whenever I meet retailers or people in the hospitality sector, I urge them to pay the London Living Wage. I believe it is the right thing for their companies.

I have to tell you that, at the moment, there are some sectors that are very resistant. I am going to continue with this campaign. I think that there are plenty of firms in London that can well afford, whose shareholders can well afford to pay the London Living Wage. I do not believe that every single business in London can do it. I think that would be an illusion. I think there are plenty of small- and medium-sized enterprises whose business models would quite frankly find it difficult to do. There are plenty of big and prosperous companies in this city who could be paying it and we will continue to encourage that campaign.

Fiona Twycross AM: While you have been specific in your support of lower taxes for the very wealthy, you do not appear to have even one member of staff here at City Hall working full time on achieving this objective. I think there is a disconnect between what you say and what is actually going on here.

Boris Johnson (Mayor of London): On the contrary --

Fiona Twycross AM: We found the money to properly resource a decent programme of business engagement for a year. Will you accept that Labour amendment?

Boris Johnson (Mayor of London): I have not seen that Labour amendment. Forgive me, Fiona. What I will tell you is we have a business engagement unit working full time on this. Do not underestimate our determination to increase it. It is something I believe in very strongly. I think it is the right thing to do. I think it is morally right. I think it is also right for these companies. On the eighth floor [of City Hall], Kit [Malthouse] leads on this and we will continue to drive this campaign.

Fiona Twycross AM: Yes, we would like to see you put even more resources into this because I think we agree that this is a priority and we need to see delivery increase on this.

The final point I want to make is about food and food poverty which, as you know, I have been doing a lot of work on here at the Assembly. I just wanted to say that you have been very happy to meet with banks since you became Mayor, but there is one type of bank that you continue to refuse to meet with, which is food banks. I have a list of some of your meetings with banks. You have met with the Chief Executive Officer of Metro Bank. You have met with Deutsche Bank. You have met with China Construction Bank. However, you have not met with a single food bank here in London, despite the growing problem of hunger. I checked the figures with the Trussell Trust this morning. To date, in this financial year, there has already been over 83,000 Londoners reliant on food banks. Basically, by the end of the financial year, it will be over double the whole of the previous year.

I am very pleased that you have signed up to making London a zero hunger city. There is no place and no need for hunger in this city, but I just wonder why, if this is the case, you are proposing to cut the already tiny budget allocated to the food team by £50,000. I just wondered why. It is such a small amount of money in the scheme of things, so it has not been raised with you. I just wanted you to reconsider that.

Boris Johnson (Mayor of London): Thanks, Fiona. I will tell you why. It is because Rosie Boycott, the Chair of London Food Board, is doing a fantastic job. As far as I am aware, she is very happy with the settlement that she has, where she is able to do all the things that she wants to do including setting up the food cooperative system. I am going to be supporting her in that. I certainly will be going and be looking at the work that she is doing. As you may remember, I have been out before to support her in some of the schemes we have to make sure that we do not waste food in London. There is huge amounts of foods that go to waste. We are now using that waste food from supermarkets, getting it to people who need it.

Fiona Twycross AM: That is all very well, but I think you should reconsider that. We have also found some money for you to support your commitment to free school meals and fund it within London. I would be grateful if you would consider that as well.

Boris Johnson (Mayor of London): If you find some money for the GLA, I am always grateful. That is fantastic. We will see what we can to.

Fiona Twycross AM: It is scandalous that in London there are that many people using food banks and you have not visited one, so please do consider that.

Boris Johnson (Mayor of London): I understand the point that you are making. We do a lot of work on these issues and I certainly will be supporting Rosie in what she is doing.

Fiona Twycross AM: Will you go to a food bank this year, then?

Boris Johnson (Mayor of London): I will be working with Rosie Boycott to support her pioneering efforts to deal with the problems of shortages of food in London.

Jennette Arnold OBE AM: Mr Mayor, you started off your presentation in a very positive way, quite rightly. You are there as number one champion for London. I would have liked you

to have focused also on the areas of London that definitely need your championing, more support and more action from you. My colleague Fiona has touched on the issue of poverty. I support everything she says because I represent London North-East [Hackney, Islington and Waltham Forest] and, within my constituency, the impact of poverty is such that people are currently receiving eviction notes with a possibility that they will have to be living on the streets of London shortly.

That is where I wanted to take you: the fact that in 2014, this wonderful city of ours has a growing population of people living on the streets, of people in poverty, and many of our town centres in decline - I would go as far as to say - places that people should avoid.

Why is it that, in your GLA budget, you only have an emerging aspiration for a round three , given that round one and two of the Outer London Fund has shown itself to be very successful?

I will just finish off by telling you myself, as Deputy Chair of the Regeneration Committee, and colleagues, working with colleague Assembly Member Bacon, have just done some scrutiny work on the Outer London Fund. Our report demonstrates that there was a lot of learning done after round one; round two, there have been great successes. What is needed for London is a round three. Will you commit to a round three Outer London Fund moving away from an “emerging aspiration”? An emerging aspiration is just not good enough. I want your commitment to say that as soon as round two ends you will be in a position to launch a round three Outer London Fund for our decaying, declining, most outrageous town centres.

Boris Johnson (Mayor of London): Yes, of course. First of all, can I thank you for what you said about the importance of tackling poverty in London. It is vital we do not underestimate what is happening. It is crucial that people understand, because I think there is a lot of loose talk at the moment about London storming ahead of the rest of the country, London becoming a city state on its own, London island of prosperity leaving the rest of Britain behind. That is the sort of rhetoric that you are starting to hear from national politicians and I worry about it because I think they are unaware sometimes of the scale of deprivation in some parts of London. It is very important that we keep things in perspective.

What you say about evictions is very striking and very interesting. We have not had data to support the scale of what you are saying about evictions. Obviously, I will look to you, Jennette, to provide me with details on that. As I say, we are watching that very closely. We have not seen signs of that yet.

What I will say about town centres is this is something that the Outer London Fund has very successfully tried to tackle. This is a historic trend towards shopping in bigger out-of-town centres, in big supermarkets. Internet shopping is now on the rise. As you know, we are looking actively at ways of regenerating town centres across London. You will see new policies and new approaches to this in the further alterations to the London Plan.

One of the things you can do is concertina. You can think about whether you need such a long strip of vinyl-signed shops just going on and on, many of them perhaps businesses that could be concentrated in a narrower area, releasing some of the adjoining space for housing.

Jennette Arnold OBE AM: Totally agree with you.

Boris Johnson (Mayor of London): On the Outer London Fund, which is the specific question that you asked, which I think you want me to address directly, further funding for the Outer London Fund, there is continuing money available for round two. I am very keen to support it. If and when a round three is necessary, we will certainly go there.

Jennette Arnold OBE AM: Yes, round three is necessary because round two is due to finish in May 2014. We do not have any time. What I would like from you is that you will be tasking Sir Edward [Lister, Deputy Mayor for Planning] to find the money for a round three and moving you away from an aspiration to an action that is necessary. That is what I would like to hear from you.

Boris Johnson (Mayor of London): We still have quite a bit of money to spend. I do not want to --

Jennette Arnold OBE AM: February, March, April, May, that is four months.

Boris Johnson (Mayor of London): Unlike the Labour party, we do not believe in just fire-hosing money away in some sort of desperate last minute spasm.

Jennette Arnold OBE AM: Are you not committing?

Boris Johnson (Mayor of London): We will spend it sensibly. We will spend it prudently and we will work with the boroughs to put more money into the fund. I am determined.

Jennette Arnold OBE AM: Do I take it there is no Outer London round three from you? Is that what you are saying?

Boris Johnson (Mayor of London): No, that is not what I said. You are being unusually pessimistic, Jennette. I am a great supporter. By the way, thank you for your tribute to the work of the Outer London Fund. I think the team here in City Hall does a great job. I think it has been one of the great successes of this administration. I believe in it and we are going to continue to support it.

Jennette Arnold OBE AM: It is one of your few successes.

Boris Johnson (Mayor of London): It is one of the many extraordinary successes. It is one of the best Outer London Funds we have ever produced.

Jennette Arnold OBE AM: I would like you to leave something behind for the next Mayor in the way that you have been able to gain from the legacy of the former Mayor. As we heard from my colleague, the Chairman of the Budget Committee [John Biggs AM], it would be nice if you could leave a legacy.

Boris Johnson (Mayor of London): Does anybody remember the former Mayor having an Outer London Fund?

Jennette Arnold OBE AM: Yes, he did.

Boris Johnson (Mayor of London): He did not. He never went to outer London. He went to Caracas more than he went to outer London. He went to Havana more than he went to Havering.

Tom Copley AM: Mr Mayor, if I could move us away from the previous Mayor for a moment, you and I both agree that increasing the supply of housing in London is absolutely crucial.

Boris Johnson (Mayor of London): Yes.

Tom Copley AM: In stark contrast to the 42,000 homes a year your Draft London Plan says London needs, last year, figures from the London Development Database show that housing completions fell to just 20,000, which is the lowest figure they have ever recorded. I have obviously looked at your housing proposals in your budget and it seems very much to represent business as usual and a rather tired approach. Do you not think that the housing crisis demands a far more radical approach to house-building in the city?

Boris Johnson (Mayor of London): Yes, actually, as you have seen, we have published a housing strategy which has a number of proposals. We think that there should be housing zones. We think, as you know, that we should have fundamental refinancing of this city so that the suite of property taxes are assigned to London government at all levels in order for us to have a continuous stream of financing of housing. That is one of the biggest problems we have had.

You talk about historic failure to provide more housing, Tom, and you are absolutely right. Look at the last 40 years; we have never come anywhere near in any of those years building the number of homes necessary. We think we are already on target to deliver a record number of affordable homes, but to deliver the numbers that we want, we need to have a step-change. We need to have stability and consistency of funding. One of the biggest obstacles from the developer's point of view to investment is that anxiety that they will not have stable and consistent finance.

That is why we are making the pitch to government for the suite of property taxes to be devolved to London. I was delighted to see that this is picking up support. Now I think it is the right way forward for the city.

As you know, the third element is to put more public land into the pot to make it available. We delivered, I think, £3.6 billion worth of land since May 2012 when I was re-elected. We made that available for development. We are currently lobbying government for two further things, which I am sure you will be aware of, Tom. The first is the ability of the boroughs to borrow

more against their assets, which is entirely reasonable in order to be able to finance more housing.

Tom Copley AM: With which we agree.

Boris Johnson (Mayor of London): What was the second brilliant thing we are doing? I cannot remember.

Tom Copley AM: While you are finding that, Mr Mayor, let me put a brilliant idea to you. We have a brilliant idea ourselves, which is it would be possible for you to intervene directly through the development of a London housing corporation, where you will be able to borrow against the GLA's future revenue stream, enter into agreements with institutional investors like pension funds, in order that City Hall could directly enter the market and deliver homes itself. What would you think of that proposal?

Boris Johnson (Mayor of London): The second thing I was going to say was obvious, which was that we believe there is plenty more land available: National Health Service land, Ministry of Defence land. It is time that we were given strategic control over this.

Tom Copley AM: Perhaps you could answer the question that was put to you.

Boris Johnson (Mayor of London): I think this would be greatly to the advantage of the city. This land is not being released at the pace that it needs to be released.

Tom Copley AM: I would appreciate if you would answer the question that I just put to you, Mr Mayor, which was about the potential of the GLA directly to intervene and deliver housing.

Boris Johnson (Mayor of London): As you know, since the transfer of some Homes and Communities Agency functions to the GLA, we have the ability to do this anyway. We are leading in delivery of housing across the city, but in the end you have to rely on the private sector to come to the table.

Tom Copley AM: The private sector has been failing for the last 40 years, Mr Mayor. The private sector has never delivered the homes that we need, continues to not deliver the homes that we need. House building has slumped and that is why we think it is time for you to step in and intervene in a market that is clearly broken.

Boris Johnson (Mayor of London): We are. I do not know quite what you are driving at, Tom. We make them and we lead the market. I really do not know how we could be more interventionist than we already are.

Tom Copley AM: I am going to have to move on to another section of the budget, which relates to the private rented sector. Again, your budget proposals are not radical in any sense whatsoever and do nothing to help the full quarter of Londoners that now rent from private landlords. I want to put some quick proposals to you that we would like to make.

Given that a quarter of Londoners now rent privately, will you agree to provide funding to establish private tenants' groups in each London borough so that tenants have the right to adequate legal representation?

Boris Johnson (Mayor of London): We will look at that. I will look at the case for that. What we have done, as you know, is greatly increased the number of registered landlords in London.

Tom Copley AM: You have not by very much at all. You have barely increased the number of registered landlords at all in your voluntary scheme. It is completely ineffectual.

Boris Johnson (Mayor of London): On the contrary, we have massively increased the number of registered landlords. We will continue to ensure that Londoners are not the victims of 'Rachman'-like landlords.

Tom Copley AM: That is precisely what you are not doing through this voluntary scheme, which is barely worth the paper that it is written on.

Boris Johnson (Mayor of London): I do not quite know what you are advocating with your groups of tenants, but the single best solution is greatly to increase supply. That means supply of housing across all tenures, not just for social rent but for private rent as well.

Tom Copley AM: We all agree on increasing supply, Mr Mayor. If you are renting in the private sector, even if there are many, many more homes, if you have a bad landlord and poor regulation, you are still going to be suffering huge difficulties. That is why, even with more supply, you need to have more regulation in place.

Boris Johnson (Mayor of London): Yes, there is plenty of statute. With great respect, Tom, as you know, there is plenty of statute already that protects the rights of tenants. They have recourse to the courts.

Tom Copley AM: Not enough. I have to say, Mr Mayor, that demonstrates how out of touch you are. Most tenants cannot afford to take their landlord through the small claims court. I get messages all the time from tenants who have been appallingly mistreated from their landlords and they have no recourse to the courts because they simply do not have the resources to do it.

Boris Johnson (Mayor of London): I do not think that is true, actually. If you look at what happens in the sector, there is plentiful support through Legal Aid for claims against landlords. I will look at your proposal.

Tom Copley AM: Thank you.

Boris Johnson (Mayor of London): What I think would be a mistake would be to put in measures such as rent controls, that kind of thing, which I think you also support, which would actually deter people from entering the private rented sector. What we need is more homes to be available for people to rent. Excessive regulation would be a step in the wrong direction.

Jenny Jones AM: This budget only allows you to insulate a quarter of the homes that you said are necessary to be insulated to achieve carbon reduction savings in your climate change strategy. Are you worried that you will be so far off your target?

Boris Johnson (Mayor of London): I think actually you should pay tribute, Jenny, to what we have done so far. We have been able to retrofit 90,000 homes under the RE:NEW programme. Since RE:NEW started, approximately 317,000 installation measures have been installed under the Carbon Emissions Reduction Target government programme under refit. We have done 246 public building retrofits.

Jenny Jones AM: Mr Mayor, I do not think you heard my question.

Boris Johnson (Mayor of London): Not only are we saving Londoners money, but we have reduced emissions. Do you know, in 2010, emissions were 14% below 2008 levels? That is a tribute to our retrofitting programme.

Jenny Jones AM: Mr Mayor, by the end of your term of office, you will have missed your carbon reduction savings - that you say are necessary in your climate change strategy - by three-quarters. Three-quarters of what you say is necessary will not be done. You must be worried about that. I am not talking about what you have done so far. That is great.

Boris Johnson (Mayor of London): Can you hold that thought, Jenny. "What you have done so far is great". Is that not incredible? I think that is the first time you have ever said anything so nice to me in six years.

Jenny Jones AM: It could be the last. If you do not listen, it could be the last.

Boris Johnson (Mayor of London): I think I can die happy.

Jenny Jones AM: You must be worried that you are missing your targets by such a huge amount.

Boris Johnson (Mayor of London): As the noble and learned baroness will know, the reductions we have had in CO₂ are very considerable.

Jenny Jones AM: They are not enough.

Boris Johnson (Mayor of London): We have protected the budgets for retrofitting. I think that is a great thing to do.

Jenny Jones AM: You are ignoring the point that you are missing your own targets. Not by 50%, but by 75%.

Boris Johnson (Mayor of London): On CO₂?

Jenny Jones AM: On CO₂ reduction.

Boris Johnson (Mayor of London): If we have reduced it by 20% since 2008, that sounds like a lot to me.

Jenny Jones AM: Would you like me to send you the figures?

Boris Johnson (Mayor of London): We have reduced CO₂ by 20% while employment has been growing, the London economy, the population has grown by 600,000. The population has grown by 600,000. The London economy has been going like gangbusters. We have reduced CO₂ by 20% and you are complaining, are you not?

Jenny Jones AM: Mr Mayor, we all know that you make things up.

Boris Johnson (Mayor of London): No.

Jenny Jones AM: You make up figures. If you would like the proper figures, I will send them to you, but I think you really ought to be more worried about, for a start, thousands of people who are going to be living in colder homes, because you will not be providing the insulation. If you are going to miss all of your targets by such a big margin, what is the point of setting any targets at all?

Boris Johnson (Mayor of London): Again, I dispute the gloomy construction that you are putting on this, Jenny. Actually, we have done very well at retrofitting 90,000 homes. How many homes were retrofitted under the previous administration? I think it was about 10 or 20.

Jenny Jones AM: I have finished. Thank you.

Boris Johnson (Mayor of London): It was not very many. We have done 90,000.

Jenny Jones AM: I did not expect an answer. I do not know why I bothered really.

Boris Johnson (Mayor of London): Look, I am grateful to you. Seriously, I am grateful to you for the way you have continued to harry me and chivvy me on this, because it is important. I respect your point of view on this, Jenny. You are right. You are fundamentally right, but I do not think you should be so dismissive of what is being done. This is something that people take incredibly seriously. It can cut costs for people across London and it is helping to reduce CO₂.

Roger Evans AM: I would like to join with my colleague Jennette Arnold in congratulating the Outer London team on the great work that they have done during the years of your mayoralty. I am just really seeking an assurance from you, Boris, that you will continue to support outer London and to build links.

Boris Johnson (Mayor of London): Of course.

Roger Evans AM: The previous Mayor preferred to build links with Havana rather than Havering.

Boris Johnson (Mayor of London): That is right. Your point, I think, is right. Let us try to say it again. Do you mean he had greater links with Havana than Havering.

Jennette Arnold OBE AM: Oh stop it.

Boris Johnson (Mayor of London): Let us repeat this point. I am grateful to you, Roger, for all the work that you do to support your constituency. We have worked together on a number of measures that I hope have been beneficial. I think of the bus to Havering outer borough.

What people need to understand about the London economy is that it is changing very fast and there is now a constellation of outer London town centres that have real potential to drive economic growth. It is not just some of the most obvious ones like Croydon, crucial though that is, or Brent Cross, or Stratford, or wherever; you are starting to see real signs of dynamism across outer London and we mean to encourage that.

The crucial way to do that is to keep investing in transport. Jennette is saying the Outer London Fund as well. I hope people have picked up today my strong belief in the Outer London Fund as a benign force.

Roger Evans AM: Yes, can I also thank you for reducing the council tax on my constituents yet again in this.

Roger Evans AM: The cost of living is something that we hear a lot about from opposition politicians. They complain about utility bills going up and about transport bills going up and about banking bills going up. Then when it comes to bills that they are responsible for, income tax, council tax, they fall strangely silent. What are we to make of politicians who tell other people to reduce their bills but who cannot control their own?

Boris Johnson (Mayor of London): That is entirely right, Roger. I believe that people will look very hard at the next election, indeed at the coming elections on 22 May at which parties genuinely are offering value for money. That is the key thing. On the doorstep, people will want to know: who is bearing down on my council tax; who is delivering the services that I want? I am pleased to say that it is Conservative boroughs that are doing the best. That is for a very simple reason, because they have a very beady eye for public expenditure that does not deliver value.

Darren Johnson AM (Chair): We will now move on to questions on the next component.

Murad Qureshi AM: Mr Mayor, I just want to direct you to your directorate expenditure. I am sure Sir Edward [Lister] will help you out here. How can Londoners be confident that, in the face of the substantial cuts to the directorate, you are committed to retrofitting homes, which Jenny mentioned earlier, cutting carbon and supporting decentralised energy?

Boris Johnson (Mayor of London): We went over this with a great deal of care in the budget-making process and we are confident - I interrogated the team very closely - that we will be able to deliver those programmes. They remain firmly in the green boxes on the traffic lights.

Murad Qureshi AM: You may say that, Mayor, but just going back to the carbon targets, you are intending through the home retrofitting programme in 2013/14 to reduce emissions by 30,000 tonnes, but only by last November had you delivered 1,000 of that, so actually Jenny's [Jones] proportions are more exaggerated than they are. They are actually a lot lower.

Saying that, on the carbon reductions, you are also planning a 36% cut in funding for the directorate, which includes the environment team. Does this not exceed the cuts of other directorates and what do you have against the environment?

Boris Johnson (Mayor of London): Just as a sort of general point, Murad - and I am grateful to you for the interest and support you have given for this - my philosophy is not just to spend money and to think of success in our programmes as being defined by how much money we are spending on those programmes. The proof of the pudding is in the eating and what we have actually done is secured CO₂ savings, which are a third greater than those required by national building regulations through the planning system. That is one of the reasons why we are continuing to see quite substantial falls in CO₂ output in London.

I accept that there is a mix of progress and I will accept what you and Jenny say that we should be going further and faster in retrofitting. I do not deny that. We should be retrofitting hundreds of thousands of homes in London. Some of these, as you know, are very difficult to do because the stock is expensive to retrofit, because of the design of old London housing. We are determined to get on and do it.

Murad Qureshi AM: Just looking at the directorate expenditure, you say it shows your priorities, but at the same time you are maintaining your level of funding for your own office at £1.2 million, while cuts in development, enterprise and environment suggest to me that it is not just the environment that is a lower priority for you, but also enterprise.

Boris Johnson (Mayor of London): We did go over this, Murad. I repeat the point. I was satisfied by my environment team that they could go on with the programme. I made it very clear I wanted us to continue to drive retrofitting and to continue to reduce CO₂. We can do it with the budgets we have. We put another £500,000 in. In order to sustain your ability to invigilate this process, we have not cut the Assembly budget either.

Murad Qureshi AM: On the environment front, you have actually undertaken a lot of underspend. Your 90,000 homes retrofitted that you mention is less than 50% of your target before December 2012. We are talking about January 2014 and major hikes in energy prices, which have driven a lot more people into fuel poverty. Does this not really show how low that priority is for you in the priorities that you are juggling in your mayoralty?

Boris Johnson (Mayor of London): No, I do not think it does. As I say, we have retrofitted 90,000 homes already. We are going to continue with that retrofitting programme. We have particular ways of targeting our support at the elderly who are in need of help in reducing their fuel bills. I completely understand that point as well.

Murad Qureshi AM: You are heavy on rhetoric and light on delivery, Mr Mayor.

Boris Johnson (Mayor of London): Look at the reductions in CO₂. I think they speak for themselves.

Dr Onkar Sahota AM: Mr Mayor, you have been the Mayor for the last six years and we have only had the Health Inequalities Strategy for two of them. You published your first strategy in April 2012. You have clearly stated that you were not going to publish the new strategy until late 2014, and yesterday in the Equality Report you said that you intentionally did not do this while the initial structures were embedding. Londoners have been let down by reconfiguration, and somehow this has also put the brakes on you producing your Health Inequalities Strategy. You also kicked this down the road now by waiting for the report of the London Health Commission. Yesterday, the London Health Commission was taking evidence on reducing health inequalities across London and there was universal agreement that what we needed was strategic and coherent leadership across London.

Boris Johnson (Mayor of London): I agree with that.

Dr Onkar Sahota AM: So we do not need to wait for Lord Darzi [Chair, London Health Commission] to produce a report there. We know what needs to be done and what your responsibilities are. Why can you not bring forward the publication of your inequalities strategy and give real leadership to London when it is so much lacking?

Boris Johnson (Mayor of London): Thank you, Onkar. Actually, I think it is an area where you and I are probably in complete agreement really on what we need to do. The difficulty, as you will remember, is the London Health Improvement Board should have been put on a statutory footing and we should have had the top slicing of public health budgets that would have enabled us in the GLA to lead on health in the strategic way that I think we would both want. We were not successful in that initiative. The boroughs, it is their prerogative. They have been very concerned to keep that out of our clutches. I think it is a shame and that we could give a real lead on some of these areas. We are talking to Public Health England, we are talking to Jeremy Hunt [Secretary of State for Health] and you will be hearing more about what we are doing on public health initiatives by the end of this mayoralty. That is all I can say. I am very frustrated about this and I must share my frustration with you, Onkar. I do believe we should be doing more. There is a natural fit.

On health inequalities, I think it would be really interesting if the Assembly could look perhaps at what is happening, because I am interested in some of the areas where progress is being made and areas where progress is not being made. On life expectancies, I said earlier on we are seeing some interesting signs of progress. On oncology, on cancer, there is clearly a problem in

London and one of the reasons that we have got the London Health Commission is to try to dig into all those issues.

Dr Onkar Sahota AM: Mayor, I am with you entirely that the Conservative Government let you down, they did not give you the powers and --

Boris Johnson (Mayor of London): The Coalition Government. I blame the Liberal Democrats and the boroughs.

Dr Onkar Sahota AM: I agree with you that you should have had those powers, but then you did establish the --

Boris Johnson (Mayor of London): Will it be in the Labour manifesto to give London those powers?

Dr Onkar Sahota AM: Please listen for a moment. Let me finish asking the question and then you can answer it.

Boris Johnson (Mayor of London): I will answer it. Forgive me, forgive me.

Dr Onkar Sahota AM: Look, you were a minor partner in the London Health Commission. The NHS organisation invested £112,000, London councils £112,000 and you invested £50,000. When we come to the London Health Commission, the NHS has invested £4 million over two years and you invested £35,000. Now, I really understand why --

Boris Johnson (Mayor of London): Yes, but hang on --

Dr Onkar Sahota AM: -- you have not been scrutinising the NHS within London. What we need in London is independent scrutiny of what is happening, not a mouthpiece for the NHS.

Boris Johnson (Mayor of London): Onkar, I do not know whether you have studied the relative budgets of the NHS and the GLA, but --

Dr Onkar Sahota AM: When will you give the leadership to London and do the job for which you were elected?

Boris Johnson (Mayor of London): Obviously I am flattered by the comparison, and that you think that we should be funding healthcare in London to the same tune --

Dr Onkar Sahota AM: I think we should be funding independent scrutiny of it.

Boris Johnson (Mayor of London): -- as the NHS. We do not deploy or dispose of those kinds of resources, as I am sure you are aware. My job is to filch as much money as I can from other Government departments to promote London's programmes and that is what we do, and I am delighted the NHS has supported our London Health Commission.

Len Duvall AM: Mr Mayor, can I take you back to some earlier answers you gave on housing? You made a quote in response to, I think, Tom Copley that we lead the market, that your interventions lead the market. Can you explain that to this Assembly?

Boris Johnson (Mayor of London): I think if you look at what we are trying to do, for instance, on putting public land to development use, you look at the sheer number of hectares of public land that there are available in London, it is absolutely vital that the GLA is proactive, takes a leading role, and that is what we do. When big developments come forward, they will typically be, if they are over a certain size, referred to me. It will be up to us in the GLA to take a lead, to say that under the section 106 agreement there must be a decent proportion of affordable homes, those homes must be of good room size standards. As you know, when I came in, we decided that the standards were rabbit hutch-like. We went for Parker Morris Standards [on housing space] plus ten percent. We have greatly improved those standards and we will continue, as I say, to take a lead across the sector. One of the key conceptual points I think we need to get across on housing is that housing is not, I think, like cars or hi-fi or other material goods. Housing is infrastructure for the city, it will be used not just by the present inhabitants, it will be used by generations. We have a strategic duty to lead, to build more homes and it is tough, it has been very tough over the last period since the Labour-generated credit crunch and associated financial disaster.

Len Duvall AM: Unbelievable. You are not supported, I suspect, but go on.

Boris Johnson (Mayor of London): In spite of the difficulties of the financial downturn, we have actually been able to build a record number of affordable homes. We are on target to do 100,000 over this mayoralty and we will continue.

Len Duvall AM: Look, Mr Mayor, there are a number of things there. You said there is a tough environment, but the way that you spoke to this Assembly this morning and the way that you present your budget, you seem to not grasp the number of crises at different levels happening across the housing economy here in London, and you are offering up more of the same. You talk of foreign investment. Of course we welcome foreign investment --

Boris Johnson (Mayor of London): Good.

Len Duvall AM: -- but there is a downside to some of that, and yet you offer up no amelioration of that downside, of what it will create on certain developments. You tend to say, "It is all good". It is good in some circumstances, but sometimes it causes problems.

Boris Johnson (Mayor of London): I accept that.

Len Duvall AM: You are not offering any solution still to the problems in terms of the private sector, where people are being ripped off at the middle market and then the lower market and state and subsidised --

Boris Johnson (Mayor of London): Well --

Len Duvall AM: No, you are not offering that. You still have not offered anything --

Boris Johnson (Mayor of London): Let us just unpack that.

Len Duvall AM: -- in this budget to address the issues around the private sector issues.

Boris Johnson (Mayor of London): No. I think that is completely --

Len Duvall AM: You talk about affordable housing. You are not offering anything to the social rented sector.

Boris Johnson (Mayor of London): On the contrary.

Len Duvall AM: You talk about those issues. Of course your space standards are right, but in terms of the space standards, even in the owner/occupier sector they get narrowed, because colleagues opposite have done a very good piece of work highlighting some of those issues in the developments that you have bought. So actually, things have moved on since you have taken office. Yes, you have started, but actually more of the same is not going to tackle the issues for Londoners.

Boris Johnson (Mayor of London): Look, Len, I accept that, I accept --

Len Duvall AM: Look, all we want to see, is where is the package of actions and measures in this budget that start to address those issues on all fronts, rather on your narrow front of just looking after a few rather than the many?

Boris Johnson (Mayor of London): Come on, it is in the London housing strategy. I am grateful for the tribute you paid to what we are doing and you are quite right, because we have done a record number --

Len Duvall AM: Mr Mayor, make no mistake, you are being very complacent.

Boris Johnson (Mayor of London): I am not remotely complacent. I said in my opening remarks this is the single biggest challenge --

Len Duvall AM: You come across as complacent.

Boris Johnson (Mayor of London): -- that this city faces. I think you have got to be very careful, Len, in the way that you pitch it, because what I will not do is say that international investment is bad for London and we should slam the door on people who want to come and live and work here.

Len Duvall AM: No, no one is asking you to say that, Mr Mayor. I am not asking you to say that.

Boris Johnson (Mayor of London): What you ask, I think in an intelligent question, “What can we do to mitigate the problem?”

Len Duvall AM: I am not asking you to say that. I am asking you to understand the consequences of investment, in certain circumstances, of crowding out some of the opportunities for owner occupiers here, dormitory cities, in terms of those issues --

Boris Johnson (Mayor of London): OK, that is a reasonable point.

Len Duvall AM: -- and you are not doing anything about that, but that is only one aspect, Mr Mayor.

Your complacency comes through in terms of how you come across in dealing with these issues and you are picking and choosing --

Boris Johnson (Mayor of London): I am sorry. I will not have any lessons about complacency from you, Len, when you sat here like a great inert Buddha throughout the period --

Len Duvall AM: Mr Mayor, you talk about the past and we need to concentrate on what is actually happening now.

Boris Johnson (Mayor of London): -- when the last Labour mayor continually refused, and indeed we are now building more homes in response to the challenge than were ever built under the previous Mayor, whose boots you licked.

Len Duvall AM: No, Mr Mayor, not true.

Boris Johnson (Mayor of London): Let me tell you that we are by no means complacent. On your substantive point, Len, which is about dormitory areas and the problem of what happens when large chunks of some of the ritzier parts of London - and indeed, not just the ritzier parts of London - start to get bought up by international investors. Actually, typically it is happening only in central London, and most particularly in Kensington and Chelsea. As I said in my Government of London speech two weeks ago, I agree that is a problem. I accept we need to do something about it. I totally support boroughs who decide that if a home is left empty for more than a certain period they will whack up the council tax, as they can now, to 150% to make sure that someone either lives there or rents it out to somebody who needs that housing. I completely support that.

Indeed, I would go further, and I would say that 150% is not enough and that you should look at multiples of council tax for homes that are just bought as investments. Flats in London, homes in London are not to be viewed, in my view, as a new global asset class, they are not bullion in the sky, equipped with lifts and concierges and all the rest of it. To get back to my point, they are housing infrastructure for Londoners. We have to make sure that they are in use, but you have got to be very careful that you do not send a signal around the world that we do not want any kind of international investment in our city, because it is that funding, it is that

interest in London that has helped us to get Battersea going, to get Greenwich going, to get developments going across the city, so you have got to be careful, Len, about how you calibrate your response to this problem.

Len Duvall AM: Mr Mayor, Londoners are looking for leadership across all housing sectors and not just in terms of some of the bigger large developments. They need someone – and this budget does not provide it – to tackle some of the problems that they face, whether they are in the private sector, the social rented sector, the owner occupation sector. You are doing some work, but it is not enough and actually the leadership is not coming through and it is not shown in this budget.

Boris Johnson (Mayor of London): I totally disagree with you. I think if you compare this budget, you compare what we have done on housing to the previous administration --

Len Duvall AM: You are not leaving a mark here.

Boris Johnson (Mayor of London): -- we are showing leadership across all sectors, and indeed, I believe passionately in delivering more housing --

Len Duvall AM: It is not showing in the results.

Boris Johnson (Mayor of London): -- across all tenure types in the London economy. That is what we are doing. The proof of the pudding is in the eating. You have tried to attack me for six years on housing and let me tell you that I accept that the problem is acute --

Len Duvall AM: It is woeful.

Boris Johnson (Mayor of London): -- but I believe we are putting in the measures that are needed to deal with it.

Darren Johnson AM (Chair): Thank you very much. Are there any other questions from Members on the Mayor of London's component of the budget? No. We will then move on to questions on the London Assembly budget. Are there any questions from Members on this component? No questions from Members on the London Assembly component. We will then move on to the policing component and the Liberal Democrat group are going to lead off on questioning on this.

Caroline Pidgeon MBE AM: Mr Mayor, a year ago at this budget meeting, I asked you to look at getting Association of Chief Police Officers (ACPO) level police officers out of their chauffeured cars and on to public transport and you said at the time, "Yes". You have also said that you think that top cops going around in, to quote you, "Swish limos are pointless and they should be out of their cars and on the tube".

Boris Johnson (Mayor of London): I am sure they are.

Caroline Pidgeon MBE AM: Last year the Metropolitan Police Service still spent over £1 million on chauffeur-driven cars for senior police officers and in fact they spent more on new cars than they did the year before. This is money that could clearly go into frontline policing. Once and for all, will you stop this wasteful expenditure on perks?

Boris Johnson (Mayor of London): What, new cars for top brass or new cars all round?

Caroline Pidgeon MBE AM: Yes, new cars for the top brass. Will you look at stopping this perk once and for all?

Boris Johnson (Mayor of London): I do not think you are right. I think if they are spending more money on new cars, that might well be because we have been so brilliant in keeping police numbers high and we have got police out on the streets patrolling --

Caroline Pidgeon MBE AM: It is not on patrol cars.

Boris Johnson (Mayor of London): -- but let me find out how luxurious these limos are, whether we are talking about patrol cars or whether you are talking about --

Caroline Pidgeon MBE AM: We are not talking about patrol cars. I am talking about the perks for top police officers. You said you want to crack down on it, you said you want them out on the tube on public transport. What are you doing to cut those perks to top officers?

Boris Johnson (Mayor of London): I am proud to say, Caroline, I see the police regularly, and very often they do come by private transport, but sometimes clearly they will need to make confidential phone calls, and need to be doing a lot of business in cars and that is only reasonable for senior officers. I do not personally need that facility myself. I use my bicycle as my office, as you know. It works very well, but I can understand that not everybody is as ambidextrous as I am, but if they want to do it that way, I perfectly understand, I understand the argument for that and that is their defence and I am willing to accept it. By the way, when they come to see me, as I say, they very often come by tube, so I am pleased with that.

Caroline Pidgeon MBE AM: You might want to monitor that, but you did say you would look at it. The money seems to be going up, but the Mayor's Office for Policing and Crime (MOPAC) also own nine flats in London for senior officers, which are worth over £2 million. You are selling off police stations across London to make ends meet --

Boris Johnson (Mayor of London): We have sold several flats, Caroline.

Caroline Pidgeon MBE AM: You still have nine. Will you also remove this perk and sell some of these luxury flats to invest in frontline services?

Boris Johnson (Mayor of London): I cannot remember how many flats we have sold. We have sold at least some flats, and I can tell you that we are going to deliver £545 million worth of savings by 2015/16 whilst retaining police numbers at about 32,000.

Caroline Pidgeon MBE AM: I think given that you are having to make cuts across the police, you should be cutting some of these perks. You have said you would before. I would urge you to look at it before you finalise your budget quickly.

Boris Johnson (Mayor of London): We continue to bear down on perks of all kinds including free travel for the Assembly.

Caroline Pidgeon MBE AM: We welcome that, thank you.

Joanne McCartney AM: Mr Mayor, I want to ask about neighbourhood policing. Are you comfortable with the fact that the Metropolitan Police Service spends 8% less on its neighbourhood policing than its most similar forces and has the third-lowest visible presence in England and Wales?

Boris Johnson (Mayor of London): Thank you. I think the proof of the pudding again is in the eating. If you look at what is happening in neighbourhoods, we are putting 2,600 more police into our neighbourhoods.

Joanne McCartney AM: That is because you have already cut those numbers previously Mr Mayor.

Boris Johnson (Mayor of London): As John Biggs [AM] was kind enough to say earlier on in his response to this budget, there are record numbers of police on the streets of London and that is a good thing. That is helping to bring down crime and if you look at crime levels in London, they have been falling fast and they continue to fall, 11% just the last couple of years.

Joanne McCartney AM: Mr Mayor, you have repeated the number of 32,000 police officers a number of times today, but actually you are 1,500 short of that, so why do you not actually ever tell the true number of officers, rather than this mythical number that you have promised and still have not retained?

Boris Johnson (Mayor of London): No, because police numbers, as you know, go up and down.

Joanne McCartney AM: Not by that amount, Mr Mayor.

Boris Johnson (Mayor of London): Actually, they have been historically much lower, but what we wanted to do, and by March next year, the forecast is that they will be up at 31,957. That is still in the budget and that is still factored in. I believe very strongly in keeping those numbers high.

Joanne McCartney AM: So do we, Mr Mayor. Can I just ask, at the general election in May 2010, officers were actually higher than that number you have just quoted us, so you have actually cut them, but I am asking about our neighbourhood policing.

Boris Johnson (Mayor of London): I did not cut them.

Joanne McCartney AM: Certainly I am getting local residents' groups and local Safer Neighbourhood Teams telling me that they do not have time to go out on the beat any more because of the expansion of their roles and the reduction in numbers. They spend more time doing paperwork and doing other jobs than actually patrolling those streets. Our budget puts some extra Police Community Support Officers (PCSOs) back on the streets. Can I ask, will you look at that, because as I say, it is not just Members on this side that are saying that, we have had concerns echoed around this chamber in recent weeks.

Boris Johnson (Mayor of London): Again, yes, of course I will look at what is going on in your area, Joanne, but what we have done is greatly increase the number of patrols, as you will remember. When I go around, I certainly feel I see a good number of police everywhere. I want to keep police out there and I want to keep them visible, as I am sure we all do. That is why we have put more police into the Safer Neighbourhood Teams and why we have got an extra 2,600, as I say.

Joanne McCartney AM: You have half the number of PCSOs and our plans put some of those back, so please look at them.

Boris Johnson (Mayor of London): OK. That is a judgment call that you have got to make.

Joanne McCartney AM: Please. No, that is in addition to police officers.

Boris Johnson (Mayor of London): I understand. Look, I am a great fan of PCSOs, but where you have got the option we think it makes sense to put in police constables and that is what we are doing.

Joanne McCartney AM: One thing that we do agree on, Mr Mayor, is the service to victims needs to be improved. The Metropolitan Police Service has the lowest victim satisfaction rate in the country and one of the things we can agree on is that this Government has got some ludicrous plans, you have described it, to cut victims' funding in London. Now, our budget this afternoon has a contingency in it to actually retain the services that victims need. Will you guarantee today that if the Government proposals and changes to funding go through that you will make that guarantee as well?

Boris Johnson (Mayor of London): I do not think I will be using your amendment, Joanne, but what I can certainly tell you is that, as I have said before, we need this funding for victim services in London. It is a point I have made to the Government and actually a point that I think we have successfully made to the Government, so I hope very much that as a result of some of the interventions that we have been making and Stephen Greenhalgh [Deputy Mayor for Policing and Crime] has been making, you will see some progress on those budgets.

Joanne McCartney AM: Good, because Assembly-wide we have made those representations too.

Boris Johnson (Mayor of London): I understand.

Joanne McCartney AM: One of the victims I want to look at is domestic violence, because at your last MOPAC Challenge meeting you heard that there had been a 15.5% increase in domestic violence in the past quarter. Now, some of that of course can be about increased reporting, but certainly there is a report out today which indicates that there is actually a genuine increase as well. One of your manifesto commitments that we welcomed was that you were to set up a panel on domestic violence service. Now, two years on, that is not a reality. Will you actually put money into that, because your budget is silent on that?

Boris Johnson (Mayor of London): We support all police activities in tackling domestic violence. As you rightly say, it is one of the only crime types where we have been seeing continuous rises and you are right to say it could be because of increased reporting, but that is not good enough, we have got to continue to tackle it. One of the priorities when I was elected was to increase the coverage of the Rape Crisis centres across London, which we did. We support a huge effort by the police and by the voluntary sector across London to tackle this problem and we put considerable resources into it. Indeed, we had a recent conference here in City Hall, which I think you attended, to highlight some of the continuing challenges, particularly around female genital mutilation and other very tough problems to solve. You can take it from me it is an absolute priority for Sir Bernard Hogan-Howe [Commissioner, Metropolitan Police Service] and the Metropolitan Police Service as a whole to put resources into tackling this problem.

Tony Arbour AM: I was rather struck by the comment by Assembly Member Pidgeon, who said that there are nine luxury police flats in London worth £2 million. That works out, as far as I can see it, less than £250,000 each. They are either not very luxurious or they must be in the Outer Hebrides.

Boris Johnson (Mayor of London): Surely she meant each flat was worth £2 million? Did she?

Tony Arbour AM: Usually the Liberal Democrats are completely incomprehensible and wrong.

Boris Johnson (Mayor of London): If they have got nine flats for £2 million, what an incredibly thrifty organisation.

Tony Arbour AM: What she actually said was what I have repeated to you, Mr Mayor.

Boris Johnson (Mayor of London): How can you have nine flats for less than £2 million?

Tony Arbour AM: However, so far as your budget is concerned, one of your key objectives, which is one which is entirely supported by our side, is to seek swifter justice for victims by reducing delays in the criminal justice system by 20%. Do you think that one of the ways in which you could do that would be to accelerate the wearing of body cameras by police, and if so, how are you proposing to accelerate the introduction of these body-worn cameras?

Boris Johnson (Mayor of London): I have great hopes for body-worn cameras. I think that they are going to make a huge difference to policing and to confidence in policing. We went down to Sutton to see what was going on. They are doing a trial there and it was fascinating to see how it worked. It is very effective and it assists the police in producing the incriminating data that they need. It also reassures the public that should there be some altercation in which there is a dispute about exactly what happened, it will be clear and they are on the record.

Tony Arbour AM: Given that the wearing of these cameras is likely to have such a beneficial effect on reducing crime and increasing the satisfaction of the ever-fewer victims of crime in London, do you not think it would be a good idea to introduce body cameras right across police work in general? You will be aware that senior police officers in the Metropolitan Police Service have initially only welcomed the wearing of body cameras for those people who are involved in the firearms squad and people who are going to be in direct contact with those people who are likely to commit serious crime, whereas the wearing of body cameras, so far as, for example, traffic wardens are concerned in dealing with trivial crime has in fact reduced the amount of complaints and the amount of paperwork right across the piece. Under those circumstances, do you not think that the wearing of these cameras should be introduced universally, rather than piecemeal, in the way that the Metropolitan Police Service appear to suggest?

Boris Johnson (Mayor of London): I am grateful for that. We are still looking at it and assessing it and obviously there will be cost implications for the technology, but it may very well be, as you suggest, that those extra costs will be more than offset by the reductions in crime, the simplification of legal proceedings and all the rest of it, the ability to get guilty pleas. One of the reasons we have such long court delays in London is that Londoners seem very likely, compared to the rest of the country, to plead not guilty, whether through sort of greater brass neck --

Tony Arbour AM: Well, they may be not guilty.

Boris Johnson (Mayor of London): -- or whatever it is, your average London criminal says, "Not guilty" more often than someone in the rest of the country, for reasons that we are looking at. It may be that this kind of data-gathering will be extremely useful. I am a supporter. It is going to come. I am sure that within five years it will be absolutely standard for police to have body-worn cameras. It will probably be, within ten years, absolutely everybody in the world will be wearing some sort of special recording device so that any interaction they have with any other human being will be recorded for posterity and transmitted and put on the internet immediately in some depressing way. I have absolutely no doubt that is the way it is going and there is nothing we can do about it.

Andrew Boff AM: Mr Mayor, the National Ugly Mugs scheme is a scheme which takes reports of violent attacks against sex workers, distributes that information about those violent perpetrators around to the police authorities nationally and then translates that into solid action against those violent perpetrators. It is funded by subscriptions by various police authorities and has resulted to date in quite a number of violent criminals being put behind bars. It would be a superb return on investment. What we are asking for as London's contribution is £20,000

and I would ask that you talk to the Commissioner and the Deputy Mayor for Police and Crime to look sympathetically on such a bid.

Boris Johnson (Mayor of London): We do not yet, but we should? I will certainly look at that. I am grateful. I know you do a lot of work on this, Andrew. I am not aware of this scheme. It sounds like a good one.

Andrew Boff AM: Thank you, Mr Mayor.

Darren Johnson AM (Chair): Are there any more questions from Members on policing? No. We will then move on to the next component of the Mayor's budget on the London Fire and Emergency Planning Authority (LFEPA) and the Labour Group are leading off on questioning on this.

Fiona Twycross AM: This time last year we were debating your fire cuts and this year you forced them through and they have been implemented. You are probably hoping that we will change the subject soon, but in your introduction you mentioned the reduction in fires so I feel I need to pick you up, as Joanne McCartney did, on your very selective use of statistics. In this instance, your use of statistics to justify your cuts is so inappropriate that it almost beggars belief, because the number of fires may have gone down, but deaths from fire are not going down. In 2012 there were 44 tragic deaths as a result of fire, and last year there were 50. The question I have got for you is how will the cuts you have made to the Fire Authority budget and to fire stations, firefighters and fire appliances in London improve the service to Londoners, all of whom are probably slightly concerned about the reduction in cover, but the increase in fire deaths?

Boris Johnson (Mayor of London): Look, just to give you the statistics that I have before me, if you compare 2012 with 2000, which is the data we have got, actually fires have gone down by 56%, total number of incidents by 39% and fatalities by 25%. If you consider that there has been a 15% growth in the population of London, to have a 25% reduction in fatalities over that period is a real testament to the work of the London Fire Brigade. I am absolutely confident that under the LSP5 we can continue to make London ever safer from fire. I think what people should realise is that what we are doing, it is analogous to what we have done with policing. We have kept numbers high in a way that has not happened around the country. The Fire Service outside the capital has reduced numbers of firefighters between 13% and 23%, and in London the reduction has been 1%.

Fiona Twycross AM: We are not talking about other parts of the country now. We are talking about what is happening here in London and the fire death statistics – these are individual people who are dying – the figures have bottomed out and they are now rising. The figures you are using are masked by, sort of improved by, changes in legislation around furniture production and things like that. What is happening now is we are seeing an increase and I would want to ask you what you are going to be doing personally to monitor the impact of cuts, other than picking and choosing which statistics you quote at us.

Boris Johnson (Mayor of London): That is not true. I can only give the statistics that I have, which in my view show a fantastic performance by the London Fire Brigade. I think what you failed to mention there, it is not just, by the way, to do with flame-retardant furniture, it is also the incredible work that the Fire Brigade do in informing people of the risks of fire, the educational work that is done, supported by the LFEPA, and that is an integral part of LSP5. That is as important.

Fiona Twycross AM: I think we can agree that they are doing a fantastic job, but I think you do need to be more careful about using statistics.

Boris Johnson (Mayor of London): What I am saying is you should not minimise the importance of the educational side of that work.

Fiona Twycross AM: No, I am not minimising that, but I am just saying please choose your statistics more carefully. Thank you.

Boris Johnson (Mayor of London): Right. As I say, the number of deaths have come down, the number of fires have come down and they will continue to come down.

Darren Johnson AM (Chair): Any other Members wish to come in with questions on fire? No. We will then move on to the next component of the budget, which is the TfL budget, and the GLA Conservatives are leading off on this.

Richard Tracey AM: Thank you, Chairman. Mr Mayor, can I first of all welcome what you had to say in your statement at the beginning about continuing to review the concession tickets, and can I join you in congratulating my colleague, Roger Evans, who so splendidly presented the GLA Conservatives' report on these matters?

Boris Johnson (Mayor of London): He has been congratulated.

Richard Tracey AM: Having said that, what you have said to us this morning is really somewhat non-committal, if I may make that criticism. You have not told us when the work is going to start.

Boris Johnson (Mayor of London): What, on the part-time tickets?

Richard Tracey AM: Will you commit on the question of tickets to encourage part-time working and reducing costs? Will you commit to a financial modelling exercise by TfL and a cost benefit analysis?

Boris Johnson (Mayor of London): I do not think you were listening, Dick. I said that we are going to be introducing the tickets by the beginning of next year.

Richard Tracey AM: Oh, excellent. I do apologise.

Boris Johnson (Mayor of London): What were you doing? Did you nod off? Come on, I think you were here, I spotted you.

Richard Tracey AM: I was obviously overcome by joy.

Boris Johnson (Mayor of London): I think you were overcome by emotion. We are going to do it from January. It is absolutely fantastic.

Richard Tracey AM: This will include the financial modelling and the cost benefit analysis?

Boris Johnson (Mayor of London): That is already in hand. The tickets themselves, the thing that you want is going to be available to Londoners by January, such is the triumph of Roger Evans and GLA Conservatives.

Richard Tracey AM: Indeed, indeed. So you are totally behind that report that the GLA Conservatives made?

Boris Johnson (Mayor of London): I am more than totally behind it. I am in front of it, I am behind it, I am all over it. Not since Magna Carta has there been such a liberating document.

Richard Tracey AM: This will be another highlight of your mayoralty. Thank you.

Now, the other questions I have for you, one is about the excellent keeping fares down this year. How did you manage to do that whilst continuing the upgrade programme?

Boris Johnson (Mayor of London): As I say, by thrift and economy where you can, and I spoke, I think, of economies in the order of billions of pounds to be made in TfL. I did not want to reiterate what I have said many times in this place about the cuts in the number of directors that we have had, or the 40 or so buildings that we have sold off in the centre of London. We are making big savings in TfL and one of the things that we are doing is continuing to make use of automation systems, new technology to hold our cost base as low as possible. This is good news also for London Underground employees, because what we are doing is improving and expanding the service, we are able to run more trains by using new technology and we are doing it without compulsory redundancies. In the end, you are going to have a bigger service, a better service, happier passengers and I think really fantastic long-term careers for people in public transport in London.

Richard Tracey AM: This is excellent news for Londoners. The money has come from particular budgets and from particular economies, no one specific budget then?

Boris Johnson (Mayor of London): No. I think it would be fair to say we have been trying to squeeze all over the shop and there is a big programme of savings still to come.

Richard Tracey AM: Is there anything that will not have funding then as a result of this in the coming year?

Boris Johnson (Mayor of London): No. The crucial thing is to continue to invest in the big ticket infrastructure stuff that we need to do and I am confident we can meet all our objectives, satisfy all the manifesto commitments with the cash we have.

Richard Tracey AM: Can I go further then? What would be the cost of holding fares down simply to a Retail Price Index (RPI) increase indefinitely or at any rate through the rest of this mayoralty?

Boris Johnson (Mayor of London): The cost over two more years of RPI, it depends what fare package we actually went for, but the difference between RPI and RPI plus one is about £30 million a year, then you have probably got to bake that in, so it compounds, then the next year it is £60 million and the next year after that is £90 million and so on, so you are starting to talk serious money off the budget if you shave just a percentage point off fares.

Richard Tracey AM: Every time we look at TfL budgeting and their costs, we find surpluses, it seems, underspends and so on, which concerns the Budget and Performance Committee, as you know. If money was taken from the TfL surpluses to pay for a fares freeze, what damage would that do to the investment programme?

Boris Johnson (Mayor of London): There was a ruinous policy, as you will remember, which was that they were going to cut fares by 7%. Do you remember some people who campaigned on that?

Richard Tracey AM: I do. I remember it.

Boris Johnson (Mayor of London): Only 18 months ago, that was their main objective in London. Were you at the meeting - was it last week or the week before - where they suddenly declared that that policy was no longer operative?

Richard Tracey AM: I was there.

Boris Johnson (Mayor of London): That was an ex-policy. They no longer believed in it. They have repudiated that policy, which actually they never would have implemented anyway. It was a complete pack of codswallop, because it would have been absolutely detrimental to our ability to invest. If you take 7% off the fares box, I am afraid you really start to eat into the ability of our city to invest in new track, new signalling, the new trains we are going to need on the Piccadilly line and the stuff that really makes London move. That would have been the wrong policy for the city.

Richard Tracey AM: Can I turn to something else which GLA Conservatives have proposed to you, which is greater commercial development in TfL and ringfenced commercial development targets? What specifically are you asking TfL to do in this area? Can you tell us?

Boris Johnson (Mayor of London): I am asking them to follow the heroic lead of GLA Conservatives in examining every possible opportunity for sponsorship and revenue on our

networks, and GLA Conservatives - if I can name-check you again - have been leading in this area. What you recommend is turning Tottenham Court Road into Samsung Court Road.

Richard Tracey AM: Not really.

Boris Johnson (Mayor of London): Well, so on and so forth. I am exaggerating but that kind of thing, changing or selling all the names on the Underground map. I understand the attraction of that. In order to do that, we would need to get very considerable sums to make that worthwhile. We would need to get very considerable sums in sponsorship and Gareth [Bacon AM] and others have been very creative on this. I think there is room for exploiting some of the premises and looking at what is happening in the stations, room for more commercial development. We are very alive to these possibilities and we will be making sure that as we reform the system and the ticket offices, that we exploit those possibilities.

Richard Tracey AM: Do you have a specific target for generating income from sponsorship?

Boris Johnson (Mayor of London): I cannot give you that figure off the top of my head. What I can say is there is a unit in TfL, which never really existed before, which is devoted to this. We have raised very considerable sums in sponsorship already for the Emirates Airline, for the Barclays Cycle Hire Scheme and we will continue to do so.

Richard Tracey AM: You do not have even a general target you could give us, a specific figure?

Boris Johnson (Mayor of London): We have a percentage increase target, which you can see in the December 2013 TfL business plan is 40%. I am being advised by Sir Edward [Lister] that we already get well over £300 million in sponsorship in new income generally.

Richard Tracey AM: Well, it is going in the right direction. Now, the other thing that we have been particularly exercised about is the TfL pension fund. What will you be looking for in the way of savings in that area?

Boris Johnson (Mayor of London): This is something obviously that we look at all potential areas of savings and that is certainly part of it.

Richard Tracey AM: You do agree with us that when every other public sector pension fund is undergoing reforms to save money, it is a bit weird that TfL's is not?

Boris Johnson (Mayor of London): No, and that is not the intention. The intention is that obviously we should be in line with the rest of the public sector.

Caroline Pidgeon MBE AM: Thank you, Mr Mayor, and I welcome your recognition at last that the costs of travel for part-time workers is too much, after many years of questioning. It is interesting to hear what you say today, but Richard [Tracey] was absolutely right, because your statement this morning did not confirm part-time travel cards.

Boris Johnson (Mayor of London): It did.

Caroline Pidgeon MBE AM: What you said is, “Contactless bank payments give us more flexibility and more opportunity”.

Boris Johnson (Mayor of London): No.

Caroline Pidgeon MBE AM: That is not a commitment to a three-day a week part-time travel card.

Boris Johnson (Mayor of London): It is.

Caroline Pidgeon MBE AM: So can you guarantee that next January you will have a part-time travel card on Oyster and contactless card?

Darren Johnson AM (Chair): I think you should read through your speech.

Boris Johnson (Mayor of London): By your leave, Mr Chairman, I am going to repeat my entire speech.

Caroline Pidgeon MBE AM: Will there be a three-day a week travel card?

Boris Johnson (Mayor of London): Let me repeat what I said. This is the crucial paragraph, OK?

“I have listened to the GLA Conservatives and Roger Evans’ excellent report on how we should have ticketing to help those in part-time work, so I can announce today the introduction of contactless bank payment cards on the London Underground and rail service later this year not only provides customers with more flexibility, but also provides the opportunity for TfL to develop more flexible ticketing. We will therefore be introducing ticketing products which specifically address the needs of part-time workers in time from the beginning of next year.”

That is January next year, and it is inconceivable, just for the avoidance of doubt, that we should introduce something new for people who use bank cards and not for Oyster as well. What is sauce for the goose will be sauce for the gander.

Caroline Pidgeon MBE AM: So one of the products will be a three-day a week part-time travel card available on Oyster and on wave and pay?

Boris Johnson (Mayor of London): Yes, and it will be superb.

Caroline Pidgeon MBE AM: Despite that in October you said, “They have concluded it is not a sensible way forward”?

Boris Johnson (Mayor of London): I have listened to the representations of GLA Conservatives.

Caroline Pidgeon MBE AM: Fantastic.

Boris Johnson (Mayor of London): I have.

Caroline Pidgeon MBE AM: We will wait and see what TfL actually do.

Boris Johnson (Mayor of London): More importantly than that, when I go on the bus now, I use my bank card. It is fantastic, this bank card thing. It is fantastic and it is the future and we are going to exploit the new technology that we have got and it is the technology revolution that TfL is overseeing that enables us to do this.

Darren Johnson AM (Chair): Thank you. The Liberal Democrats are now out of time.

Jenny Jones AM: Your Cycling Commissioner [Andrew Gilligan] has looked at the Cycle Superhighways and he says he wants to improve the quality, which I think we probably all support, but TfL's Finance and Policy Committee say that that has put the cost up by £50 million.

Boris Johnson (Mayor of London): The cost of?

Jenny Jones AM: Of doing these Cycle Superhighways to this higher quality, and so they will either do fewer routes or shorter routes or take the money from other initiatives. Could you not just increase your investment by £50 million to make sure that you actually deliver your manifesto promises about these Cycling Superhighways?

Boris Johnson (Mayor of London): Yes. Jenny, just amongst friends here, I share your impatience about Cycle Superhighways. I think sometimes the best can be the enemy of the good. I think Andrew [Gilligan] is doing an amazing job, but I want to see some product and we are certainly working as fast as we possibly can. There got to be a balance. One of the objections to Cycle Superhighway 2 - Bow Roundabout and all the rest of it - was that the changes were rushed in. Actually, I think there was a thing on the BBC yesterday, according to my email, where they bashed the new lights we put on Bow Roundabout. I used them just yesterday and they are working well, but the point I am making --

Jenny Jones AM: I am really sorry, but this is about whether or not you might just invest more so that you can deliver on your promise.

Boris Johnson (Mayor of London): I will deliver on my promise. We will have all this, the Cycle Superhighways. What I will not do is have ones that are substandard. I am very impatient, but I do want to make sure that we get it as close to right first time as we can.

Jenny Jones AM: I am really pleased you are going to deliver on your promise on the Cycle Superhighways. In that case, can I ask you about the mini-Hollands as well, because these are

initiatives, projects, that would really help outer London. TfL has estimated that it could open up over 2 million potential cycling trips, because there are lots of people in outer London who would rather not use their cars for shorter trips.

Boris Johnson (Mayor of London): Absolutely, that is completely right.

Jenny Jones AM: You are going to invest £100 million in three or four mini-Hollands, but why not allocate more money so that all 14 can go forward, because if you are going to help some parts of outer London, why not help as many as possible? This is cheap compared with all the other sorts of --

Boris Johnson (Mayor of London): Yes. There is not some great money tree. Do not forget this is serious money. We are talking about £913 million, we are talking about the thick end of £1 billion we are spending on cycling.

Jenny Jones AM: You keep saying that, but then you keep underspending, you see, so we do get a bit confused about this £1 billion and where it is all coming from, because there has been so much underspend.

Boris Johnson (Mayor of London): Can I just answer your question about why not do 14 at once?

Jenny Jones AM: Yes.

Boris Johnson (Mayor of London): The answer is that for the same reason I have just given. There is no point in splurging money on schemes that are half thought out, that do not deliver the increase in cycling that we want to see and I would rather we get the mini-Hollands right. This is a new departure for London. The concept of a mini-Holland is not widely understood, people think it means lots of tulips and dope houses everywhere. It does not mean that, it means a serious investment in cycling and we are going to do that and we have got to get it right.

Jenny Jones AM: You keep talking about serious investment, but then you keep underspending and that is really not fair on us cyclists, who were so thrilled at all the promises you made, and you are just not delivering. It is like your Better Junctions programme. You reduced it from 500 to 100 and then to 33. That means there are junctions now where about 100 serious injuries or deaths happen every year that you are not going to tackle.

Darren Johnson AM (Chair): A quick response to this, as the Green Group are running out of time.

Boris Johnson (Mayor of London): We are tackling them, and I note that cycling is getting safer and the number of deaths-per journey has come down dramatically and will continue --

Jenny Jones AM: Not serious injuries.

Boris Johnson (Mayor of London): -- to come down.

Valerie Shawcross CBE AM: Mr Mayor, it strikes me very strongly that there is nothing in your transport budget that has really done anything to make transport more accessible for the low-paid in the city, let alone the older and the disabled. In particular, it does strike me that the revenue cuts that you have had from national Government - and you have had a pretty poor deal on revenue for transport from George Osborne [Chancellor of the Exchequer] - you have passed a lot of that pain on to the lowest-paid passengers. Do you accept that bus fares have gone up disproportionately rapidly in the city compared to other modes of transport?

Boris Johnson (Mayor of London): I really think I must take issue with what you have just said, Val, about the elderly and the disabled.

Valerie Shawcross CBE AM: Just come to the question, Mr Mayor.

Boris Johnson (Mayor of London): All those concessions have been protected, and indeed under this --

Valerie Shawcross CBE AM: Do you accept that the bus fares have gone up disproportionately?

Boris Johnson (Mayor of London): I cannot let you get away with what you said. Under this mayoralty and under this budget, we are --

Valerie Shawcross CBE AM: Let us debate the bus fares as a case example.

Boris Johnson (Mayor of London): Let us debate the bus fares. We are protecting the 24-hour Freedom Pass, which we gave the elderly in this city, and which is a privilege unlike any other --

Valerie Shawcross CBE AM: Mr Mayor, do you accept that the bus fares have gone up far more rapidly than increases in other modes of transport?

Boris Johnson (Mayor of London): -- part of the country has. That is protected by this budget and it will continue to be protected.

Boris Johnson (Mayor of London): As for increases in fares generally and increases in bus fares, yes, it is certainly true that we have seen increases. They are, by the way, no more significant than we saw under the previous mayoralty. We saw an overall increase of 34%, compared so far with what I have done. If you remember what he did in 2007/08, he artificially held the fares down in the hope of fooling Londoners about his intentions and then he would have whacked them up anyway.

Valerie Shawcross CBE AM: Mr Mayor, can I put it to you that overall your fares have gone up twice as rapidly, but in particular the bus fares have now gone up 18% above the rate of inflation in the city, which is higher than all the other modes of transport? What I find

particularly grievous about that, Mr Mayor, is that actually the bus service is the bit of TfL which has not seen major investment, it has not seen any improvement and three-quarters of the Londoners that the Transport Committee surveyed - 1,000 Londoners - said that their buses are now full in the morning or overcrowded.

Boris Johnson (Mayor of London): Well, we have more buses --

Valerie Shawcross CBE AM: So here we are in the Year of the Bus, Mr Mayor.

Boris Johnson (Mayor of London): It is the Year of the Bus. We have --

Valerie Shawcross CBE AM: I attended your launch and it was a policy-free zone, if I dare say so. What are you going to do for the bus passenger who you have been charging massively increased fares in the Year of the Bus to make sure that they get an improvement in their bus service? Is there going to be a plan for improving our bus service?

Boris Johnson (Mayor of London): Let me remind you we have a record number, we have 8,600 buses on the streets of London now. Half of all bus journeys in this country take place in this city because of the expansion of our bus service, half of all bus journeys in the country take place in London. We have 2.3 billion journeys every year.

Valerie Shawcross CBE AM: The bus service has not been increased, Mr Mayor, under your leadership.

Boris Johnson (Mayor of London): The ridership is up at an all-time high --

Valerie Shawcross CBE AM: Yes, the population is going up, but the bus service is static and the buses have become more crowded.

Boris Johnson (Mayor of London): -- and the bus service is steadily improving, and bus crime, as I have said, crime on buses, has come down 40%. Buses are cleaner, they are greener, there is less crime and we have protected all the concessions and indeed increased them. As I say, we have concessions for disabled people, we have concessions for those in search of work. You mentioned the low-paid earlier on in your criticisms and we have concessions for those. We have concessions for war veterans who have been injured and we have concessions, as you know, for children for young people in fulltime education unlike anywhere else in the country and we have a 24-hour Freedom Pass.

Valerie Shawcross CBE AM: Which we had --

Boris Johnson (Mayor of London): Ask yourself how can we continue --

Valerie Shawcross CBE AM: -- which was cross-party.

Boris Johnson (Mayor of London): -- to fund those concessions? How can we look after those people? It is because we have a sensible fares policy and in order to invest in the best bus

fleet in the world and the best bus service in the world, you need to have a sensible fares policy that does not go jaggedly up and down, which is what the previous mayor did. You have got to be pragmatic.

Dr Onkar Sahota AM: You have many hobby-horses and one of them is the estuary airport.

Boris Johnson (Mayor of London): Yes.

Dr Onkar Sahota AM: You wasted £3.2 million on this and failed to convince the Davies [Airports] Commission that it was a worthwhile project. Can you now please stop this plundering of the money of Londoners and put to an end to this?

Boris Johnson (Mayor of London): No. Are you saying that we should capitulate and allow the expansion of Heathrow, which I think would be severely detrimental to the environment of Londoners, to the quality for Londoners? Is that what you are saying?

Dr Onkar Sahota AM: What I want to say is no expansion at Heathrow and no closure of Heathrow either. No expansion and no closure, but what you are saying will lead to a decimation of the economy of west London. Now, you are wasting the money of Londoners. Let us put an end to it and if you are going to carry on with it, why will you not be transparent and clear with Londoners and put it in your budget how much more money you are going to throw at this project? You have not been transparent.

Boris Johnson (Mayor of London): The figures are there for all to see. I think the economic damage to London of entrenching the wrong solution at Heathrow would be huge and actually, as [Sir] Howard Davies himself said in this interim report, you should see what he said, “The estuary option offers the single biggest prospect of economic growth and regeneration of all the options on the table”. That is one of the reasons why he wants further consideration of it.

Dr Onkar Sahota AM: Mr Mayor, the Isle of Grain will not take the strain.

Boris Johnson (Mayor of London): I think we would be absolutely remiss in our duty to Londoners if we did not come up with a better solution than expanding a gigantic hub airport in the middle of the western suburbs of our city. There is no other city in the world that would do that to its inhabitants. If that really is the policy of the Labour Party, then you should be plain with the electorate about that, because that is a development.

Dr Onkar Sahota AM: Our view is that there should be no expansion at Heathrow and there should be no destruction of the economy of west London.

Darren Johnson AM (Chair): A very quick response to that, because the Labour Group are running out of time.

Boris Johnson (Mayor of London): I do not know quite what the Labour policy is, but there has to be new runway capacity somewhere. It is plain from what they are saying, if they are ruling out other options, that will inevitably lead to a third runway and then a fourth runway at

Heathrow. I think people should be straight with our city. If that is really what business, the Labour Party, the Government, the Treasury, the Confederation of British Industry want, if they basically think that the people of London have to suffer more noise as the price of economic growth, then they should be straight and they should say that. At the moment, they are not being straight.

Gareth Bacon AM: Mr Mayor, I would like to pick up a few points on cycling, if I may. I think that the irony around this debate is there is probably more that unites us at City Hall around cycling than actually divides us, which I think sometimes gets lost in some of the debates that we have. Firstly, mini-Holland, could you confirm that the idea of mini-Holland, the reason for the £100 million to be spread between three or four boroughs is deliberate and it is to try to create a step change in cycling participation in those particular boroughs, particularly focused on boroughs where cycling participation is currently relatively low?

Boris Johnson (Mayor of London): That is indeed the intention and that is why we do not want to do it very fast in the 14 that have entered. We want to see if we can get it right in four first of all.

Gareth Bacon AM: I am encouraged by that answer. That was my understanding of what mini-Holland was, but that being so, if it were to work in the three or four boroughs and we do see the step change in cycling participation coming from the back of that, would it be conceivable that in the future there would be almost a mini-Holland 2 that might be aimed slightly more widely in the way that Baroness [Jenny] Jones was wishing it would be?

Boris Johnson (Mayor of London): Yes. I am not quite sure what you are looking at, but yes, if it works we would be aiming to intensify as, for instance, we are doing with the Barclays Cycle Hire Scheme, where what we are doing I think has been a great success, but we are now going to intensify the number of docking stations within the zone that already has them.

Gareth Bacon AM: On the issue of underspending on cycling schemes, Mr Mayor, you expressed your own frustration, in common with some Assembly Members, at the pace at which TfL are implementing cycling schemes around London, which has led to the underspends. Is it your position, Mr Mayor, that the answer to underspending budgets is to pile more money on to the budget to be unspent or is to bear down on TfL and actually get more high-quality schemes implemented?

Boris Johnson (Mayor of London): This is a systemic problem across the public sector, which is that there are underspends in capital budgets and you need to hold the whip over them. The answer is not to fire more money at the thing. The answer is to be efficient in your spending.

Gareth Bacon AM: Indeed. I would go slightly further and say that the answer is not simply to shovel money out the door to demonstrate that you care about something, because that can lead to poorly-devised schemes that cause more problems further down the line than they solve. Will you commit over the next year, Mr Mayor, to bear down on TfL to get them to, I suppose, get a bit of a wiggle on in terms of bringing some more quality schemes to bear?

Boris Johnson (Mayor of London): Quality schemes in cycling?

Gareth Bacon AM: Yes.

Boris Johnson (Mayor of London): Yes, absolutely. As I said in answer to the noble and learned Lady, the Baroness Jones of Moulsecoomb, that is indeed our intention.

Andrew Boff AM: Mr Mayor, when the residents of Harlington, Harmondsworth and Sipson have a runway going through their homes, can you assure them --

Boris Johnson (Mayor of London): The Onkar Sahota Memorial Runway.

Andrew Boff AM: -- that you did actually look for an alternative, rather than shutting the alternatives off, which seems to be the Labour Party policy?

Boris Johnson (Mayor of London): Yes, and that is the right thing to do for London. It is our duty - I have a statutory duty - to maximise economic growth and I believe that is the way forward. I am delighted that Sir Howard [Davies] has accepted that argument in his interim findings.

Darren Johnson AM (Chair): Any more questions from Members on transport? No. We will then move on to London Legacy Development Corporation. Are there any questions? No. That concludes the questions then, so thank you very much Mayor and Members.