

London Assembly (Mayor's Question Time) - 19 November 2014**Transcript of Agenda Item 4 – Oral Update on the Mayor's Report**

Roger Evans AM (Chairman): The Mayor will now provide an oral update of up to five minutes in length on matters occurring since the publication of his report. Mr Mayor, you have been particularly requested by three of the Groups here to provide an update on the bidding process for the Royal Albert Dock development.

Boris Johnson (Mayor of London): Yes. I have also just been asked a minute or two ago to provide an update on the story in *The Guardian* about education and youth. Do you want me to answer that as well?

Roger Evans AM (Chairman): Yes, please.

Boris Johnson (Mayor of London): OK. Quickly, since we last met, Members of the Assembly will know loads of stuff has happened, particularly on fares, where Transport for London (TfL) has made a very creative response to the GLA Conservatives' campaign for part-time fares and, of course, with the Liberal Democrats tucking in behind them. The result is that it is a good deal for people who travel one or three days a week. If you travel three days a week in zones 1 to 2, you will save £270 a year or, if you are doing it in zones 1 to 3, £418 a year. Basically, 600,000 people in London, part-time workers, will, we think, pay lower fares over the course of a typical year as a result of this change. These are very considerable annual savings and reflect the way the London economy is changing and the way people choose to go to work.

We have done a big new partnership with National Grid and Berkeley Group to create 14,000 new homes on brownfield sites owned by National Grid in London and across the southeast. Greg Barker, Member of Parliament (MP) for Bexhill and Battle, is the new Chairman of the London Sustainable Development Commission. We have sold New Scotland Yard – the building – and I know that Members of the Assembly will want to look at details of that transaction in due course, but I can assure you that they are favourable to this city.

On the couple of oral updates that you have asked for, on the education and youth budget, really, and the stories [in *The Guardian*] you have seen this morning, the paper [referred to in the article] in question I have not seen. It has not come to the eighth floor [of City Hall – the Mayor's Office]. What I certainly can say is there has been a massive increase in funding for youth projects of all kinds under this mayoralty. Sorry, Jennette. Did you want to butt in?

Jennette Arnold OBE AM (Deputy Chair): No.

Roger Evans AM (Chairman): No, questions will come when you have completed your update.

Boris Johnson (Mayor of London): OK. The increase is approaching about £50 million. I have mentioned all the things that we are doing through the London Enterprise Panel (LEP)

with the £129 million European Social Fund Youth Employment Initiative delivering careers, education, advice and support for employers to create apprenticeships, traineeships and so on; the £5 million Digital Skills Fund; the London Schools Excellence Fund; and many other activities that are being supported through Team London and the Mayor's Fund and other ways in which we are leading the support of youth and helping to address the challenges of youth in London. Whatever the outcome of the budget, it will, I can assure you, be a budget that supports young people in this city as we have done over the last six years.

Finally, on the Royal Albert Dock selection process, we instigated an internal audit into this whole business as soon as we started to get a series of rather peculiar questions from media outlets. They were asking lots of very detailed questions about the Royal Albert Dock developer selection process. We thought we had better get it all ironed out. Today we published the internal audit report which provides what is called 'substantial assurance', which I am told is the strongest possible audit outcome. The finding is that there is particularly effective management of key risks contributing to the achievement of business objectives. In particular, the report concludes - and I am afraid I will just read this out in the time I have, if I can, Roger:

"A defined procurement strategy in support of the London Development Agency (LDA) and Greater London Authority (GLA) strategic objectives. The procurement process was compliant with the LDA's Procurement Code and Standing Orders and the GLA's Contract and Funding Code, Financial Regulations, Scheme of Delegation and EU procurement requirements. The bid evaluation criteria and weightings had a clear rationale consistent with the Mayor's Development Strategy, were clearly communicated to bidders and were subject to legal review. Access to LDA/GLA staff during the international engagement with the People's Republic of China was supported by a clearly defined business needs ..."[reading quickly]

Tom Copley AM: This is ridiculous.

Roger Evans AM (Chairman): Mr Mayor--

Boris Johnson (Mayor of London): I have only got five minutes.

Roger Evans AM (Chairman): I am going to be generous and give you a little bit more if you have more to update us on.

Boris Johnson (Mayor of London): All right. I will read more slowly. OK.

Tom Copley AM: This is being ridiculous.

Roger Evans AM (Chairman): You know what it is like. We were at Waltham Forest and we could not hear what people were saying there.

Boris Johnson (Mayor of London): All right. I am just conscious that I did not want you to cut me off. OK.

“Access to LDA/GLA staff during the bidder engagement trip to the People’s Republic of China was for clearly defined and robust business needs, was subject to senior management review and approval and legal advice was sought and acted on.”

It is therefore clear that any suggestion made by Channel 4 that the developer selection was in any way compromised is unfounded and I am confident that due practice was followed at every stage. London & Partners did provide support to the LDA and GLA during the promotion of the opportunity, but they did not participate in the assessment of any bids or the day-to-day management of the procurement process.

The programme made a number of allegations relating to Advanced Business Park’s (ABP) human rights record. I have not been provided with information or evidence to support these allegations and I understand ABP has issued its own rebuttal of these claims.

I will just conclude by pointing out that the development in the docks, the ABP proposal or scheme, will add about £6 billion to the United Kingdom (UK) economy. There was no rival and no comparable scheme that would deliver anything like that, certainly not in the immediate future. It will deliver £23 million in business rates every year. That is money in to be spent on worthy objectives in our city and elsewhere. It will deliver 15,000 to 20,000 new jobs and will help deliver further development in the Royal Docks, including more affordable homes. I would remind you that that area of the Royal Docks has been derelict and neglected for decades and I reckon it has been a very good deal for this city.

Roger Evans AM (Chairman): Thank you. Assembly Member Knight?

Stephen Knight AM: Mr Mayor, back in June this year, I asked you if you had thought about how you might improve the transparency and openness of London & Partners – which, as you know, receives over £11 million of GLA funding each year – for example, by publishing a register of interests of directors or gifts and hospitality registers and so on. You responded that you felt that the annual report brought before your investment and partnership board and published deep somewhere on the GLA website was enough.

However, in the light of these recent allegations, I want to ask you again: do you think that London & Partners is doing enough to be transparent and accountable to Londoners for the large sum of money that they spend?

Boris Johnson (Mayor of London): I do. The register that you have is a useful one. On the allegations – as you call them – that were ventilated the other day. The point is that London & Partners were not involved in the procurement process at all. They did not make the decision. I do not think it really arises.

Kit Malthouse AM: Point of order, Chair. Can I declare an interest as Chair of London & Partners.

Stephen Knight AM: Chair, I hope that is not on my time.

Mr Mayor, the allegations presented last week by Channel 4 News were serious because they did relate to a procurement exercise undertaken by London & Partners as part of that exercise.

Boris Johnson (Mayor of London): No.

Stephen Knight AM: That was the accusation put forward and that is the accusation which certainly needs to be properly investigated. Indeed, it was not just Channel 4 News putting forward these allegations. There were comments on that programme, as you will know, from Sir Alistair Graham, the former Chair of the Government Committee on Standards in Public Life, a very senior and eminent person on this issue of standards in public life, who said himself, "It has the smell of a semi-corrupt arrangement, doesn't it?"

Don't you think Londoners will be rather worried when a public body funded by their taxpayers' money is described like that by the former Chair of the Committee on Standards in Public Life?

Boris Johnson (Mayor of London): I agree that it was a very strange and surprising thing for Sir Alistair to say and I am sure that he will be reassured by the audit report that we will be sending him this morning.

Stephen Knight AM: Mr Mayor, do you honestly think that Londoners are going to be reassured by an internal report, commissioned and published within a matter of days? Is it really sufficiently independent and sufficiently thorough to get to the bottom of these allegations and to be seen to get to the bottom of these allegations and to be seen to reassure the public?

Boris Johnson (Mayor of London): Yes. I urge you, Stephen, to have a look at the report. You need to be clear in your head about what you are trying to say because the allegation is not that London & Partners were involved in the procurement process. As far as I understand the allegation, it is that there was some sort of collusion between ABP and the GLA or something to steer the contract in the way of ABP. London & Partners were not --

Stephen Knight AM: At what point, Mr Mayor, did you first become aware that London & Partners and ABP were sharing an office?

Boris Johnson (Mayor of London): Yes, there was an office building, as I understand it, that they shared --

Stephen Knight AM: At what point, Mr Mayor, did you first become aware that they were sharing an office?

Boris Johnson (Mayor of London): You have to understand that London & Partners is an overseas promotional agency that played no role whatever in the procurement decision for the development of the Royal Albert Docks. If you look at the report, it is absolutely obvious that they had no role. This was done by officers here in the GLA. It was done in accordance with all our procedures.

Before you make any further accusations against London & Partners, who are doing a fantastic job and represent this city extremely well outside London to the rest of the world, you should really look at what the report says because it is always possible in these cases to confect. Obviously, it is an extraordinary thing that a Chinese investor is showing great interest in a part of London that has been neglected for decades and people are going to be curious as to the circumstances. As the report shows, all the due processes were followed.

Stephen Knight AM: It is important not only that there is no favouritism or bias in these procurement exercises but – and this is reflected in the GLA’s own Code – it is important that there is no appearance of favouritism or bias as well. Would you not agree that when you have one publicly funded GLA body sharing an office with an organisation which is then given a contract by another part of the GLA, there is an appearance, or there could well be an appearance, of bias? Do you not think that in the light of that there has to be a proper independent inquiry to assure Londoners that their taxpayers’ money is being properly spent? I hope that it will entirely show that it is being – but I –

Boris Johnson (Mayor of London): I recommend that you read this report and you will find much in it to console you and to reassure you. It is very, very clear that the procurement process was followed scrupulously, as I say, that the bid evaluation criteria and the weighting had a clear rationale and that all bidders were treated on the same basis. As it turned out –

Stephen Knight AM: Mr Mayor, when was this internal audit report commissioned?

Boris Johnson (Mayor of London): If I can just finish this point: as it turned out, one bid was significantly better than the others.

Stephen Knight AM: Was it this time last week? Was it Wednesday last week? When did you commission the internal audit report?

Boris Johnson (Mayor of London): We commissioned the internal audit report as soon as we received –

Stephen Knight AM: Was that Wednesday last week?

Boris Johnson (Mayor of London): No, it was as soon as we received inquiries from Channel 4 and I believe another media organisation.

Stephen Knight AM: The Channel 4 programme was broadcast on Thursday night. When did you first get inquiries?

Boris Johnson (Mayor of London): There were inquiries long before the programme.

Stephen Knight AM: How long before?

Boris Johnson (Mayor of London): I cannot give you the exact period.

Stephen Knight AM: Are we talking days? Hours? Weeks?

Boris Johnson (Mayor of London): I am happy to get back to you on the exact period, but it was certainly several days, perhaps more.

Stephen Knight AM: Several days. Therefore, we are talking about a report that has been commissioned, investigated and published in about a week. Is that right?

Boris Johnson (Mayor of London): I cannot give you the exact timescale, I am afraid, Stephen, but I can tell you that it was not a laborious process because virtually everybody involved in this decision is either in this building or nearby. If you are seeking to impugn the reputation of the officials who took this decision--

Stephen Knight AM: Mr Mayor, I am not seeking to impugn anybody's reputation but I am saying that the public needs reassurance and I'm not sure that this provides it.

Boris Johnson (Mayor of London): I think you are, actually. You need to be very careful what you are saying. You are using slur and innuendo --

Stephen Knight AM: Mr Chair, I have finished my questioning and I think I am out of time.

Boris Johnson (Mayor of London): --in a typical Liberal Democrat way to cast aspersions on people who have done a very good job and who have followed the correct procedures and secured a massive investment for this city. You need to be very careful what you say. Before you go any further, can I strongly recommend that you actually study the internal audit report and see exactly what took place?

Roger Evans AM (Chairman): We have two different matters here, the Royal Albert Dock development and the education cuts. As we have started with the Royal Albert Dock stuff, I am going to take questions on that first and then we will move back to education later. Can anyone indicate who wishes to come in on this specifically? Darren?

Darren Johnson AM: Yes. Thank you, Chair. There have been some very, very serious concerns thrown up around the Royal Albert Dock development. However, if you look at the development itself as well, there is a low percentage of affordable housing. There is a luxury development going up on what is supposed to be employment land and it is publicly owned land.

Is it not the case that you are so desperate now for any sort of personal legacy as you come to the end of your term that you are prepared to sell off just about anything to anyone for some Boris Johnson vanity project?

Boris Johnson (Mayor of London): All right. I really think that the debate has plumbed the depths of triviality if you think that.

This is a project that we embarked on a long time ago because, as you know, Darren, in spite of the manifest obtuseness of your question, the Royal Albert Dock is a site that has been neglected for decades; 45 or 50 years. This is an area of London that is due for regeneration. None of the schemes and none of the proposals that came forward were anything like as financial advantageous to this city or delivered development as fast as the ABP scheme. We all know, by the way, schemes in that part of town that promise a great deal and then do not get off the ground. This one is actually showing signs of making progress. Even as we speak, things are happening there and it is a fantastic thing for that part of London. I repeat: this will be worth £6 billion to the UK economy and 15,000 to 20,000 jobs and it will mean affordable homes in an area that has not had any homes at all. I would rather have some affordable homes than nothing, which is your policy.

I do congratulate the officials of this body, the GLA and the people from the former LDA, who worked very hard to get this away and who have done it, actually, in accordance with the procurement processes that we stipulate for this body. I resent the continued imputation that they have in some way done something wrong. As far as I can see, they have done a blindingly good job.

Darren Johnson AM: You are happy that on this development all the due diligence checks have been carried out and you are going to produce a report on that? What about due diligence on similar developments, Crystal Palace, for example, where a single developer was given exclusivity on half of a public park for two years without any competitive tendering process? They do not have a very good track record. They have completed only a few office blocks in Shanghai to date. There were some concerns about their record raised as well. They seem to have employed the same lobbyist, Lady Bates [Chinese-British property developer], as ABP. Do you have concerns about them as well?

Boris Johnson (Mayor of London): No. Again, Crystal Palace Park, as you know, is something that is an expensive thing to maintain. It has long been an issue how to seek a regeneration of that area, how to get the park going again and how to stimulate activity in that area. As you will remember, there was a plan for some very extensive housing developments which would pay for the upgrade of the park. That was by no means popular locally. An alternative plan came forward for a rebuilding of the Crystal Palace. That has caught people's imagination, although there are some concerns about the deliverability of the project.

I will accept all sorts of criticisms, but what I will not accept is the criticism that we are doing the wrong thing by trying to stimulate activity and economic development in areas of London that have been stalled for a very long time.

Darren Johnson AM: OK. Thank you. I will leave it there, Chair, and let other Members come in.

Boris Johnson (Mayor of London): In both cases, both Crystal Palace and the Royal Docks, it was right for the GLA to seize the initiative and to try to get things moving. You are not always going to pull it off. I happen to think that at the Royal Docks we will pull it off. At

Crystal Palace it is much more difficult, but you have to try. The Royal Albert Dock is a great success.

Roger Evans AM (Chairman): Assembly Member Duvall?

Len Duvall AM: Thank you. Mr Mayor, look, I have questions and I think people will need some answers to those questions. We have tried to find this report. You said it was published today, but I think you meant you are sending it out because we cannot find it on the web.

John Biggs AM: There's a link.

Len Duvall AM: There is a link now. We could not find it literally ten minutes ago. This deal represents about £1 billion in total to the various partners. That is what we are talking about. Your desire to see action taking place on these particular developments is much to be lauded.

However, the question is about the process and the arrangements that surround this particular deal and maybe others. There are legitimate questions. It is no good saying they are slurs and accusations. I am not going to make slurs and accusations, but I am going to raise a number of issues that you should be wishing to seek answers to and sharing that in the most transparent way. The Chair of ABP, the preferred contractor to win this development site, in 2009 when speaking to the press stated that it was a frontrunner for the Royal Albert Dock project. That was before any tendering process or evaluation. We are willing to furnish that to you and to others if there is an independent inquiry.

Notwithstanding that, I just want to pass over this because, coincidence or not, questions should be asked and you should be asking them. Xuelin Black, the London representative of ABP. During the pre-tendering and tendering stages, her pattern of donations to the Conservative Party changed and they changed substantially when the award was given on a preferred contractor basis. I say this because Xuelin Black pops up - and as rightly said, my colleague has raised questions around Crystal Palace - on the joint agreement that the Greater London Authority has signed up to, as well as the London Borough of Bromley and the developer, and she sits on a steering committee. Maybe we should be asking questions about that.

However, let us turn to the role of London & Partners, bizarrely described in your Mayoral Decisions sheet as a 'stakeholder' or 'contractor'. Actually, you are the principal funder. It is said two-thirds, but I think they are about 90% totally funded. It is a quango that works on behalf of you, Mr Mayor, chaired by one of your Deputy Mayors. The role of London & Partners was not just in finding this company but, to our understanding, during the tendering process it was asked to do some work into the due diligence part. Could this company, ABP, attract other Chinese investors or companies into the Royal Albert Dock? They had no track record or a limited record in terms of these developments. There is an inherent risk in appointing them.

Boris Johnson (Mayor of London): Yes, I understand what you are saying.

Len Duvall AM: It would have been surprising, in a sense - and this is why people are asking these questions - that the London & Partners representative, Tongbo Liu [General Manager for Overseas Affairs, ABP], changed job processes. While this tender evaluation was going on, he went to work from London & Partners to ABP. He did not have to travel far, Mr Mayor, because actually he just switched desks. They share the same office. There are questions that London & Partners need to answer about whether they are being subsidised in terms of their office accommodation and in terms of leases and arrangements. We need to know this because they are involved in a process and there is a degree of lobbying or may be for this particular firm once it has shown an interest. It is bizarre. It is almost the stuff of *Private Eye*. During the process of ABP, it appears --

Boris Johnson (Mayor of London): I think it has been in *Private Eye*.

Len Duvall AM: -- It appears there are recorded meetings that they had access to the members of the evaluation panel in one-to-one meetings. We do not know - and no doubt the report today may furnish that - whether other people had access to those meetings. They have taken place and they are a matter of record, but others do not appear to have been offered that opportunity.

Boris Johnson (Mayor of London): You have had that from others?

Len Duvall AM: You talked earlier, Mr Mayor, about the criteria and what the internal audit process found. On the internal audit process, I will be looking very interestedly at this part of the document because you changed the criteria - not you personally but the organisation - midway through the process. I presume there is some audit trail that will explain why these criteria were changed?

Boris Johnson (Mayor of London): Yes. I will tell you, Len.

Len Duvall AM: The question we need to ask: why did it favour any one particular bidder in terms of those issues?

Boris Johnson (Mayor of London): I understand.

Len Duvall AM: On the due diligence work around its financial operations, it is very important that we understand how that was done and who did it on behalf of the GLA.

Boris Johnson (Mayor of London): OK. I understand.

Len Duvall AM: Finally, Mr Mayor, there is more because it gets worse. Finally, Mr Mayor, there are some questions --

Boris Johnson (Mayor of London): You are asking substantially the same question, if I may say so, as Stephen [Stephen Knight AM].

Len Duvall AM: No, Mr Mayor, I am giving you some detail of other stuff and building on the work.

Roger Evans AM (Chairman): Yes, can you frame this as a question?

Len Duvall AM: There is one more point, Chair, that I wish to raise. We get towards the end of this process and I will name the individual because, again, it is on public record. Tom Keady [Development Director, ABP], who worked on behalf of the GLA and who was involved in the tendering process and was chair of the evaluation process, left the GLA in 2012 and took up a position with ABP. Please, Mr Mayor.

Boris Johnson (Mayor of London): Six months later.

Len Duvall AM: Six months later or not, I would expect at least a break in terms of working for them.

Boris Johnson (Mayor of London): Six months later.

Len Duvall AM: Please Mr Mayor, it was within a month of you awarding the contract to a preferred bidder. These questions need some independent oversight. I will go away and read the report today --

Boris Johnson (Mayor of London): You should.

Len Duvall AM: -- but unless there are some issues that have covered those questions and those from my colleagues in terms of that information and unless it contains that detail, then there are still questions outstanding and you should commit yourself to some independent investigation.

Boris Johnson (Mayor of London): OK. The substantial of what you are trying to say, Len, is that you are building on what Stephen [Stephen Knight AM] has said and what you are really trying to assert is that there was some dirty work at the crossroads and that within the GLA the Housing Investment Group changed the criteria midway through the process - that was the most substantive of your points - in order to favour one bidder or another. I am content, having looked at it, that that is not what happened. The reason for the changes in the criteria was simply to put more weighting on cash flow and on early delivery. There was no intention that I can see to favour one bidder or the other.

I am afraid to say that it is a comment on the financial state of the world that the other bidders came nowhere near being able to supply the kind of cash flow that ABP did and nowhere near being able to get things moving as fast. In the end, they basically withdrew. What is inserted by implication is that within this building somehow in that group of officials there was a bias in favour of ABP for one reason or another, relations between London & Partners and ABP or whatever. That does not seem to be the case. If any of the other bidders had come anywhere near the weight and effectiveness of the ABP bid, then of course they would have won or they would have stood a better chance at any rate. I really urge you to look at the report. .

Len Duvall AM: Mr Mayor, is the answer 'no' to independent oversight of that piece of work?

Boris Johnson (Mayor of London): Yes.

Len Duvall AM: You came in and were elected on a great deal of words about transparency and access to information. Will you allow the various GLA scrutiny bodies--

Boris Johnson (Mayor of London): Yes, of course.

Len Duvall AM: -- like the Audit Panel and Economy Committee to have the full background to all the background papers? We are beyond the commercial confidentiality issue.

Boris Johnson (Mayor of London): Well--

Len Duvall AM: Listen. Let me finish. In terms of getting to the bottom of those issues because, actually, these are legitimate questions. I am not sure. Are you 100% sure this was the best deal for Londoners?

Boris Johnson (Mayor of London): Yes.

Len Duvall AM: You would say that? You are 100% sure --

Boris Johnson (Mayor of London): Yes, I am sure.

Len Duvall AM: -- and you think the processes around that -- Going back to my earlier point, Mr Mayor, in 2009 the chair of the company in briefing press people - a matter of record - said, "I am the frontrunner for this project". That was in 2009, long before you even started the tendering processes or not. What led to that chairman of that company to believe that he was the frontrunner when they had no track record in delivering the type of project that you want to see on the Royal Albert Dock?

Boris Johnson (Mayor of London): Businessmen are always entitled to their opinions and businessmen are entitled to be confident - or, indeed, overconfident - about their position. I imagine that he was speaking from knowledge of the financial resources he was able to call upon.

Len Duvall AM: Insider knowledge, maybe.

Boris Johnson (Mayor of London): The ABP project is backed, as you know, by HSBC and the Bank of China. Before everybody starts thinking this is all delivering stuff for the Chinese, there are tons of British firms that are already being called in to work on this project. Stanhope is the development manager. Terry Farrell is the architect. CBRE is the planning consultant. Savills is the marketing agent. This is pumping money into the London economy. It is going to be building homes in this city. It is going to be creating jobs in this city. To the best of my knowledge, Len, the reason that ABP was out in front was because it was able to offer the cash

and the fastest delivery timetable. I recommend, as I say, that you look at what the internal audit report has to say.

On your point about how much we can make available to you about the innards of the deal, it will depend on what is still commercially confidential but I am more than happy for this to be scrutinised by the Assembly in any way that you see fit.

Len Duvall AM: I am very grateful for that, Mr Mayor. This is my last point to you. For the audience as well as the people around the table, if there is nothing to hide and there is nothing that is being done that you think is wrong, why will you not subject this to an independent investigation and oversight?

Boris Johnson (Mayor of London): Because it would be a complete waste of time and money.

Len Duvall AM: If there is nothing to lose in what you said this morning, why are you hiding from it?

Boris Johnson (Mayor of London): Because you in the Assembly, as you well know, are pretty handsomely remunerated to scrutinise what goes on in London. You have just volunteered to have a look at it yourself with all your forensic acuity and I propose that you do so and earn your crust.

Len Duvall AM: What do you have to hide, Mr Mayor? What do you have to hide?

Boris Johnson (Mayor of London): There it all is. We will make it available and I suggest you draw your own conclusions. However, it would be a good thing and a healthy thing if people just guarded their tongues before they joined the general hue and cry about an investment that will be very good for this city and about the reputations of extremely diligent officials who have done their best to get best value for London and who have followed all the procurement processes that we would expect.

Roger Evans AM (Chairman): Assembly Member Boff?

Andrew Boff AM: Mr Mayor, we have had a long and enjoyable discussion about a report none of us have read. It reminds me of the Maastricht Treaty. We all have an opinion on that, haven't we? However, we here are doing our jobs and the questions from Members are entirely correct about this. This is what we are here for and this is what we are paid for.

However, we are a bit too previous and there is something that worries me a bit and that is the lack of confidence that some Members of the London Assembly to have in the internal audit process. If that lack of confidence is something that they have had for a considerable amount of time, then I wonder why it has not been brought to the fore. Can I ask that after a decent amount of time to give Members the opportunity to read the report, you invite Messrs Knight and Duvall to actually point out which of our internal auditors are inadequate in their view? It is

very vital to have an internal audit function that we can have confidence in and I am concerned that those Members do not have confidence in that function.

Boris Johnson (Mayor of London): Yes. I have great confidence in the original officials who made the recommendations on the procurement process. They followed all the proper procedures and they took a judgement about what was best for London. They recommended that to me and I gave the Mayoral Direction. The internal auditors are also extremely good and everybody, I am sure, in this building knows them. They have done a thorough job and they have got to the bottom of what happened.

The people of London also, though, have this line of defence, which is the Assembly. The Assembly, as Len [Len Duvall AM] has said, wants to look into this and wants to get its teeth into it and so it should. You will find it interesting and you will find it richly comforting about the scale of interest there is in London around the world and that there is the appetite to invest in London. You will also see that all the procedures were followed. I hope very much that the Assembly digs into it with a will.

Andrew Boff AM: I am assuming you will make all the officials available to us when we come to scrutinise this. In addition, it is quite important that we actually do get an opportunity for Messrs Knight and Duvall to question the internal audit and that you would make that available to those Members who obviously want to speak to that department because they seem to have so little confidence in it.

Boris Johnson (Mayor of London): I cannot imagine that there would be any problem with that. I am looking at Ed Williams [Monitoring Officer, GLA] a bit here. I cannot imagine there would be any reason why the Head of Paid Service should refuse for the internal auditors to appear in front of them. I am sure it would be. Yes. I cannot see any problem there at all.

Andrew Boff AM: Thank you very much. Thank you, Chair.

Roger Evans AM (Chairman): Thank you. Assembly Member Biggs?

John Biggs AM: I do not have Labour time to make an observation on this, but I am Chair of the Audit Panel of the Assembly and I have had the benefit on reading on my iPhone the audit report, which is 11 pages long and appears to be, as I can see it, a box-ticking exercise. Certainly as Chair of the Audit Panel I want us to investigate that further because the Mayor seems to be hiding behind a document no one has seen.

Boris Johnson (Mayor of London): I am not. You have just seen it.

John Biggs AM: No one has seen it other than being sent a link at the beginning of this meeting.

Boris Johnson (Mayor of London): No one has seen it apart from you?

Roger Evans AM (Chairman): We will take questions on the education budget.
Assembly Member Dismore?

Andrew Dismore AM: Thank you. I have a copy of your internal paper here in front of me.

John Biggs AM: Point of order, Chair. It is outrageous that the Mayor comes here and raises an audit report which has not been published, which has not been seen and which was released on a link that I received from the Head of Audit upon requesting it at 10.10am this morning. The Assembly has had no sight of this and it is being used as a veil behind which the Mayor is hiding.

Jenny Jones AM: Hear, hear.

Tom Copley AM: Hear, hear.

John Biggs AM: It is not a proper use of process. I am not suggesting there is anything corrupt or untoward in this, but he is hiding behind this.

Boris Johnson (Mayor of London): I might just point out I am about to answer questions on an urgent thing on which I was given one minute's notice.

Roger Evans AM (Chairman): Could I just say that that is not a point of order. However, it is a reasonable point to make.

Jenny Jones AM: Yes.

Fiona Twycross AM: Yes.

Tom Copley AM: Yes.

Boris Johnson (Mayor of London): It is also reasonable that I am happily answering questions about this blooming question you have about some leaked document.

Fiona Twycross AM: It is called 'Mayor's Questions'.

Jenny Jones AM: You are the Mayor.

Roger Evans AM (Chairman): Mr Dismore?

Andrew Dismore AM: Thank you.

Boris Johnson (Mayor of London): You were talking about time to prepare. What is your question?

Andrew Dismore AM: I have your paper here in front of me and it is headed “Education and Youth Forward Planning”, dated 4 November. You have had a couple of weeks to prepare on this one, anyway.

Boris Johnson (Mayor of London): That paper, as you know perfectly well, Dismore, has not come to my office.

Andrew Dismore AM: The very first line of the paper says,

“We are forecasting a 90% reduction in GLA-managed investment in education and youth from 2014/15 to 2016/17.”

That is the first line. The very last paragraph starts this way, “We need to manage expectations”. Is that not just what you have been trying to do?

Boris Johnson (Mayor of London): I do not know. The paper you are talking about has not come to the eighth floor and I have not seen the thing you are talking about.

Tom Copley AM: It was in *The Guardian*.

Boris Johnson (Mayor of London): It is not a paper prepared by me. What I can tell you is that there will continue to be massive funding for youth projects.

Andrew Dismore AM: That is not what the paper says here. It is headed “Greater London Authority”. I thought you were in charge of the Greater London Authority?

Boris Johnson (Mayor of London): Dismore, that is not my paper. It is your paper. I think you have written it! Dismore, you have written it! You have and you have planted it! It is a Dismore document!

Andrew Dismore AM: I am not the Mayor; you are. Have you forgotten you are the Mayor in your efforts to get elected to Parliament? It says “Greater London Authority” on the top. That is you, is it not?

Boris Johnson (Mayor of London): You have written it.

Andrew Dismore AM: What it says here quite clearly is,

“Decreasing our funding has a disproportionate impact on the most vulnerable groups of young people.”

Boris Johnson (Mayor of London): That sounds like very good sense, in that case.

It says,

"Investment in positive activities that supports young people to sustain education is decreasing with three large projects closing by March 2016."

It says,

"There remains a need to invest in education and youth because there is increasing concern with respect to aged 17-plus achievement, there are low numbers of apprenticeships, high numbers of children are living in poverty and specialised support is required ..."

Boris Johnson (Mayor of London): Mr Chair, can I just raise a point of order?

Roger Evans AM (Chairman): You may raise it when Mr Dismore has finished asking his question.

Boris Johnson (Mayor of London): I want a point of order. He is asking a question about a paper. I have not seen this wretched paper.

Andrew Dismore AM: It is your paper.

Boris Johnson (Mayor of London): It is not my paper.

Andrew Dismore AM: It has "Greater London Authority" written on the top of it.

Boris Johnson (Mayor of London): It is not my paper.

Andrew Dismore AM: I know you are a bit lazy and you do not want to do your homework, but I thought you would have read this up.

Boris Johnson (Mayor of London): It is some leak that has been given to *The Guardian*, which we totally disown and he is entitled to make up his own version of it but he is not entitled to ask me about some document that I have not even read.

Andrew Dismore AM: It is here. You are in charge of the Greater London Authority. It says so at the top.

Boris Johnson (Mayor of London): That is not budgetary policy. It is not.

Andrew Dismore AM: It says so. It says at the top.

Boris Johnson (Mayor of London): The whole quotation I heard you just read just now was that the cuts that were suggested in *The Guardian* would lead to serious disadvantage and that seemed to me to be a wholly plausible point and one reason --

Andrew Dismore AM: Yes, and that is why you want to raise expectations, is it not?

Boris Johnson (Mayor of London): -- one reason why the construction that is being placed on that paper by *The Guardian* is a load of absolute nonsense.

Andrew Dismore AM: Actually, it is absolutely spot-on.

Boris Johnson (Mayor of London): I am just going to repeat what we are doing.

Andrew Dismore AM: Can I put this to you? I will help you out here, Mr Mayor.

Boris Johnson (Mayor of London): I am going to repeat what we are doing. Let me help you out. Dismore, let me help you out.

Andrew Dismore AM: I will help you out here, Mr Mayor.

Roger Evans AM (Chairman): Mr Cleverly has a point of order.

Andrew Dismore AM: All right.

Jennette Arnold OBE AM (Deputy Chair): Stand. He has to stand.

James Cleverly AM: Mr Chair, the points that were raised by Assembly Member Biggs about us commenting and questioning on documents to which we are unsighted was a valid one, a point you made yourself. We are now entering into a prolonged exchange when only one person seems to have seen the document in question. I would ask that perhaps Mr Dismore holds his questions back until a copy of that document is circulated to all Members.

Joanne McCartney AM: It was in the press last night.

Roger Evans AM (Chairman): Can I just make a ruling on this. I was asked if I would allow this as an item earlier on this morning as a mayoral update. My view was that it is --

Jennette Arnold OBE AM (Deputy Chair): In the public domain.

Roger Evans AM (Chairman): -- unfair on the Mayor to ask him to update us on something which has just appeared in the press in the morning that he has not had a chance to brief himself on and when the information the Assembly will get will be not of the best quality as a result of that.

Boris Johnson (Mayor of London): Uncharacteristically.

Roger Evans AM (Chairman): I suggested to the Labour Group that they raise it as part of a supplementary later on, which I am very happy to take. However, I just want to make it clear that that is actually the way that I suggested we go around this. It appears that the Mayor's Office has agreed to take this as a part of the update anyway because you commented on it in the update.

Fiona Twycross AM: Hear, hear.

Roger Evans AM (Chairman): Therefore, questions on the update are allowed.

Len Duvall AM: It was a request and we fully understand it was the Mayor's choice whether to provide this update or we would go down the question route. We thought we would ask the Chair whether he would wish to ask the Mayor, knowing it was outside the time but was topical, whether the Mayor wishes to answer those questions.

Boris Johnson (Mayor of London): All I am saying is you cannot expect me to be familiar with the contents of a paper I have not seen and that I disown.

Len Duvall AM: It is reasonable, Chair; not the full detail but the gist of the proposals because they are part of these budget proposals. The Mayor can say either they are true or they are not and he is not going to do it and we will be happy.

Boris Johnson (Mayor of London): No, of course I am not because the budget process has not been completed. What I can certainly tell you just to clear this whole thing up is --

James Cleverly AM: Mr Chair, *The Guardian* refers to a document produced by the Mayor's Office and we have not had a chance to see it.

Boris Johnson (Mayor of London): Let me finish.

Andrew Dismore AM: You should do your job better.

Roger Evans AM (Chairman): Whether that is a good thing or not is a matter of opinion, but it does happen quite often at Question Time and at committees that some people have papers that other people do not have. I am not going to stop a line of questioning just because the paper is not in the possession of other Members.

Boris Johnson (Mayor of London): What is all this doing to help young people in London?

Roger Evans AM (Chairman): The budget process, I understand, is going to start tomorrow in front of the Budget and Performance Committee when it will be --

Boris Johnson (Mayor of London): Can I just say what we are doing to help young people in London, which is much more interesting than who has a paper?

Andrew Dismore AM: You should have done that in the Mayor's update.

Boris Johnson (Mayor of London): What we are doing is investing massively in apprenticeship programmes and as a result --

Andrew Dismore AM: I hope this is not coming out of my time because I have not actually asked him a question.

Roger Evans AM (Chairman): No, I am not stopping you asking the question, Andrew. I am just making an observation about ways that we may better deal with this. Carry on.

Andrew Dismore AM: The Mayor gave us a load of flannel at the start in response to the issue.

Boris Johnson (Mayor of London): Can I answer the question?

Roger Evans AM (Chairman): As far as I can tell, a question has not been asked yet. Mr Dismore?

Andrew Dismore AM: Thank you, Chair. Where had we got to?

Boris Johnson (Mayor of London): We were trying to help young people in London. That is what we are doing.

Andrew Dismore AM: Yes, which you are going to try to do by cutting 90% from the budget.

Boris Johnson (Mayor of London): No, I am not.

Andrew Dismore AM: What is quite interesting, having looked at all the problems that that is going to cause and at you trying to manage expectations with all your flannel, is that the next steps apparently are to “influence Mayors Fund for London’s plans to support young people”. That is quite interesting because it of course refers back to the Penny for London campaign launched by the *Evening Standard* a couple of weeks ago. What you are effectively going to do is ask the *Evening Standard*’s Penny for London campaign to bail out your cuts. I thought it was supposed to be charitable donations by Londoners to help disadvantaged kids. What you are actually going to do is try to get the Mayor’s Fund for London to bail out your cuts. That is what it says in this paper, is it not?

Boris Johnson (Mayor of London): OK. That is a question: are we going to get the Mayor’s Fund for London to bail out cuts, as you call them, in the programme? There are not any cuts because we have not agreed the budget yet and we are investing vastly more in youth and young people’s programmes already under the mayoralty than ever before in the history of the Greater London Authority, £50 million more. We have had huge success, as you know, with getting young people into apprenticeships, more than ever before. The rate of people not in education, employment or training in London is now at its lowest for 25 years. We are putting --

Andrew Dismore AM: It is interesting you say that because paragraph 5.4 refers to --

Boris Johnson (Mayor of London): Can I just finish the answer?

Andrew Dismore AM: -- increasing concern over levels of achievement of those 17-plus and in particular says there are low numbers of apprenticeships. That is exactly the opposite of what you have just said. This is your paper. Never mind all the flannel and waffle. Why do you not address the point in this paper that you are going to impose 90% cuts? Will you say here and

now that you will not impose 90% cuts on youth and education in the next two years? Will you give an undertaking not to cut by 90%?

Boris Johnson (Mayor of London): We will have budget that does more for young people in this city than your party ever did.

Andrew Dismore AM: Now, now. Temper, temper.

Boris Johnson (Mayor of London): We will continue to expand support for young people.

Andrew Dismore AM: If this paper is wrong, will you undertake now not to cut youth services by 90%?

Boris Johnson (Mayor of London): I am proud of our record and I am proud of what the Mayor's Fund for London has done. I am proud of what we have done with apprenticeships. You should take that paper and stick it up your ...

Andrew Dismore AM: Temper, temper.

Boris Johnson (Mayor of London): I am proud of what we have done.

Andrew Dismore AM: Calm down, Mr Mainwaring. Let us have a look at this.

Boris Johnson (Mayor of London): I am proud of what we have done in this city.

Andrew Dismore AM: Will you give an undertaking not to cut by 90%? No, you will not.

Boris Johnson (Mayor of London): We have invested more in young people and we have more young people into work in this city over the last six years than ever before. I am very proud that we will be continuing with investment.

Andrew Dismore AM: That is why you are going to cut education and careers guidance to £600,000 from 2016, is it?

Boris Johnson (Mayor of London): We are continuing with investment

Andrew Dismore AM: That is what this says.

Boris Johnson (Mayor of London): -- in youth employment initiatives, in apprenticeship schemes and in careers advice --

Andrew Dismore AM: No, you are not.

Boris Johnson (Mayor of London): --which is absolutely crucial with helping young people to learn digital skills and coding so that they can take part in the tech revolution that is sweeping this city. We are investing in all those things. You should look at the outcomes. You should look at what is happening to the attainment of young people in this city, which is now

excelling that of young people, I am afraid to say, in the rest of the country and that is a fantastic thing for London.

Andrew Dismore AM: That is not what this paper says, Mr Mayor. That is not what your paper says.

Boris Johnson (Mayor of London): That is exactly what is happening in London and we will continue to support it.

Andrew Dismore AM: That is what it says. Long nose, Mr Mayor.

Roger Evans AM (Chairman): Are we finished? Deputy Chair?

Jennette Arnold OBE AM (Deputy Chair): Yes, Chair. Can I just briefly say to the Mayor that I have seen this report on *The Guardian* Website. It came on early last night. Both because of my own on-going long-term in this issue and as chair of the Assembly's [Education] panel, I downloaded and read it. Mr Mayor, it should not be a surprise to you what is published in *The Guardian*. I am not talking to the paper that Andrew has, but what is reported in *The Guardian* is correct in that --

Boris Johnson (Mayor of London): No, it is not.

Jennette Arnold OBE AM (Deputy Chair): No, it is. Can I finish?

Boris Johnson (Mayor of London): No, it is not.

Jennette Arnold OBE AM (Deputy Chair): Can I finish? You say you have not read the article.

Boris Johnson (Mayor of London): I have read the article. I have not read this paper.

Jennette Arnold OBE AM (Deputy Chair): What is there is correct and you would know it and your officers would know it because a significant amount of the funding that has gone to some of these vital projects has always been predicted to end at 2016. I have addressed this with you in the past. It is a really good opportunity now for you to once more show the young people of London that you are not a hit-and-miss Mayor and that for the initiatives that you have seen that have worked and that required an amount of funding to the tune of some £26 million, you will be looking in your budget proposals to ensure that those programmes carry on to 2016/17 and beyond your mayoralty.

Boris Johnson (Mayor of London): I agree with that. There is a risk. I agree.

Jennette Arnold OBE AM (Deputy Chair): That would show a long-term commitment and honesty in dealing with this vital issue for our young people.

Boris Johnson (Mayor of London): Yes. There is a risk that there will be a Labour Mayor. I cannot conceal that from you. There is always that downside risk that in 2016 there may be a Labour Mayor who does not continue to invest in young people. The projects that we are supporting will be protracted. They will continue out. They are on tram tracks. The £129 million that I spoke of, the funding through the LEP will continue. It is part of an overall package of £500 million and these things are absolutely invaluable for London.

Jennette Arnold OBE AM (Deputy Chair): Will you commit to carrying them on?

Boris Johnson (Mayor of London): In many areas of what we are trying to do now, obviously we are working very, very hard to ensure that if there were to be the catastrophe of a Labour mayoralty, it would be impossible - or indeed a Liberal Democrat mayoralty or a Green mayoralty - for there to be --

Jennette Arnold OBE AM (Deputy Chair): I know we are politicians, but does it all have to be politics with you? Just answer the question.

Boris Johnson (Mayor of London): These things will continue.

Jennette Arnold OBE AM (Deputy Chair): Just answer the question. Will you commit to carrying on the programmes so that they do not finish and have to start again?

Boris Johnson (Mayor of London): Yes. My answer is yes. I am not being frivolous. My answer to you is yes.

Roger Evans AM (Chairman): Assembly Member Cleverly?

James Cleverly AM: Thank you, Mr Chairman. I am waiting for a copy of the document that Assembly Member Dismore has promised to email to me.

Jennette Arnold OBE AM (Deputy Chair): Go to *The Guardian* online.

James Cleverly AM: He felt incapable of handing me the printed copy he had on his desk.

Male Speaker: It has his notes on it.

Boris Johnson (Mayor of London): He has notes on it? That would be very interesting for scholars.

James Cleverly AM: Do you agree to every proposal put forward to you by officers of the GLA?

Boris Johnson (Mayor of London): No. James, characteristically, you have asked the first sensible question on this issue. All sorts of documents swirl around in the budget process about what could or could not be done. The interesting thing about the document that Andrew [Andrew Dismore AM] read out actually was that it counselled, as far as I understood what he

was saying, quite strongly against making cuts of that kind. That seemed to me to be persuasive.

James Cleverly AM: Mr Mayor, on the legacy that you inherited as Mayor of London with regard to youth engagement, what youth-related projects were really working, would you say, when you stepped in? What projects initiated by the previous Mayor had actually made a positive difference? If you need to take a little bit of time to mull that over, I completely understand.

Jennette Arnold OBE AM (Deputy Chair): I can tell you.

Boris Johnson (Mayor of London): There was a serious problem when I took over in 2008 that was gang crime and knife crime. There were many young kids dying at the rate of about 30 a year, sustaining terrible injuries as a result of vendettas that were taking place between gangs. You were involved, James, and Kit [Kit Malthouse AM] was involved and many people were involved in the effort to try to create a comprehensive strategy to deal with it.

There were lots of legs to it. One was to try to support interventions by groups already in existence and try to get money to them through the Mayor's Fund and other means. Another was to actually initiate our own mentoring scheme - finally, because it took a long time to get going - with some success and more importantly to support and encourage other mentoring schemes across the city and also, in parallel with that, to have a thoroughgoing law and order solution. After a great deal of effort by the Metropolitan Police Service (MPS) cracking down on 'key gang nominals', as they are called, they have made a huge amount of progress. Both gang crime and knife crime have come down substantially and the numbers of young people dying in those terrible fights have diminished. They have not gone down to zero but they have substantially diminished and the murder rate overall has come down by about 50%, thanks very largely to the fall in fatalities of those kinds.

There is always more to be done. I fully accept that there are people in this Assembly of all parties who take a keen interest, quite rightly, in pursuing this. There is more to be done with early-years intervention, with championing literacy, with championing numeracy or with boxing academies. There is a whole range of things that you would expect us to do and we are doing. I really do not think that you could fault us for the determination with which we have tried to address it. I think we have. I think most Londoners would agree there has been a considerable measure of success. There is a long way to go, but that is in no way to denigrate or deprecate what has already been achieved.

As to what was achieved in the previous years, I make no comment on that except to say that when I came in, it was the number one issue that Londoners felt we had to address.

James Cleverly AM: Thank you, Mr Mayor.

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