

**London Assembly
18 July 2001**

Thirteenth Mayor's Report to the Assembly

Author: The Mayor

This is my thirteenth report to the Assembly, fulfilling my duty under section 45 of the Greater London Authority Act 1999. It covers the period from 6 June to 3 July 2001

Transport

Taxis update

On 6 June I met for the second time with representatives of the taxi trade. I put a set of proposals to the meeting, which included:

Introducing a new night-tariff:

This will replace the current evening and night-time (60p and 90p) supplements and will constitute a 50% increase in the fare up to £11.20 or 6 miles. That is, the maximum increase in fare will be around £4.20. Subject to ensuring the technical feasibility of this change, I hope to introduce this new rate from 29 September this year.

Introducing a 12-mile compellable distance:

I am proposing that, as part of the package increasing the night and weekend tariffs, taxi drivers are required to take passengers up to 12 miles from where they are picked up.

Enforcement:

In collaboration with the Metropolitan Police I intend to greatly increase enforcement against touts. I have now raised this issue with the Metropolitan Police Commissioner, who has agreed to review the Met's anti-touting function, with a view to increasing its capacity. We have also agreed to establish high level co-ordination between TfL and the Met.

Vehicle emissions:

To reduce air pollution, and subject to the successful completion of trials of this technology, I propose to make compulsory the fitting of oxidation catalysts for all Euro I and Euro II standard cabs by 2004. I will discuss with the Energy Saving Trust making available grants to cover the majority of the costs incurred to drivers.

I am happy to make available to Assembly Members the full text of my proposals, which have been sent to all licensed taxi drivers. I now intend to embark on a period of consultation on these proposals.

PPP

The question of the future of the Tube is central to the debate about the efficiency of the public services. The Underground carries more passengers every day than the rest of the rail network put together. It is the single most important piece of infrastructure in London.

The Underground is vital for London's competitiveness, which means for the UK's competitiveness, as well as for the standard of living of the people of the city.

That is why I have given such high priority in my first year of office to seeking to ensure that London gets a safe and efficient Tube service.

My approach has been to introduce the strongest possible management, as was done with the appointment of Bob Kiley, and make that subject to a democratically accountable Mayor who will win or lose election on the basis of their ability to hire and fire management that delivers an efficient service for the city.

In December Mr Kiley prepared a report on the government's PPP which concluded that it was unsafe, inefficient and prohibitively expensive. He confirmed this assessment in a more detailed report sent to me at the end of February.

The London Underground is inherently a monopoly. To transfer that monopoly to the private sector, directly or indirectly, will not create efficiencies. It will simply replicate the problems seen on Railtrack. The service will have to be more expensive – to cover shareholders' dividends and the private sector's higher borrowing costs – and because it is a monopoly there will be no compensating spur of competition to create efficiency.

At the beginning of May Bob Kiley was asked by the Prime Minister to take over the negotiations with the PPP bidders in order to try to modify the PPP to secure unified management control of the Underground.

Bob's task was made more difficult by the government's decision to select preferred bidders immediately prior to his appointment and its rejection of his proposal that they transfer the Underground to Transport for London.

On Friday Mr Kiley informed me that he had written to the Prime Minister outlining his conclusions from the negotiations with the bidders and his recommendations.

On the basis of direct talks with the bidders and access to more information than previously Mr Kiley concluded:

- It is not possible to reconcile the structure of this PPP procurement with the degree of unified management control and single point accountability required for the safe and efficient management of a rapid transit system.
- The objective of unified management control cannot be satisfied unless London Underground controls and manages core maintenance functions.
- This PPP replicates a key cause of the crisis on national rail by separating the control of maintenance from the operation of the trains – the Hatfield problem.

- This cannot be rectified within this PPP because the bidders are unwilling to give up control of core maintenance activities to London Underground.
- The bidders' plans for their capital works programmes are too vague to be properly evaluated or legally enforced.
- London Underground's system of Standards against which the bidders' maintenance performance would be judged are in disarray.
- The PPP procurement should therefore be terminated.
- The Underground should be transferred to Transport for London without further delay immediately so that project specific procurements which maximise private sector participation could start without delay.
- This can start now without the delay inherent in the further pursuit of a PPP process that is still many months from completion.

Mr Kiley's professional judgement is that he can still by means of project specific procurements deliver a more rapid improvement in basic train services than any variant of PPP.

Under existing PPP plans there would be no new trains for 10 to 20 years depending on the line, with early priorities focused on refurbishing stations.

Under Mr Kiley's alternative proposals 85 per cent of trains will be replaced or refurbished within the first seven and a half years, alongside overwhelming priority to work on trains, track and signalling to improve basic services. On this basis, as in New York, he expects London to see visible improvements within three years – about a decade earlier than the PPP.

Buses

Review of Contracts

Following a comprehensive review of bus contracts which was launched last year, I have endorsed plans for Transport for London to ask for higher standards from bus operators. London Buses has come up with a 31 point action plan to overhaul services, which gives TfL a greater role to play in setting higher quality standards for bus services.

The action plan proposes better management of bus operators and will result in better services on the ground for bus passengers. The measures will foster competition, keep prices down and maintain quality whilst also serving to improve overall standards. New 'quality incentive' contracts are already being introduced which build in financial incentives based on the achievement of tough new standards. Previously operators were neither rewarded nor penalised for the quality of service they delivered.

Other measures incorporated into the action plan which gives London Buses a more 'hands on' approach to managing bus services include:

- Setting higher standards for existing and new operators seeking to run bus services in London.

- Seeking out new operations sites such as depots and garages which they can lease back to bus operators, and maintaining existing sites. With property at a premium in the capital, this policy is crucial if bus services are to expand.
- Increasing numbers of supervisors and introducing a mandatory training programme for bus company staff, such as service controllers, including possibly a formal qualification.
- Setting standards in recruitment processes and identifying and encouraging best practice to address the crippling problem of driver shortages. This complements the £20 a week TfL bonus already introduced for drivers.
- Requiring bus operators to monitor the ethnic and gender mix of staff and provide appropriate facilities, recruitment and working practices. Currently women only make up five per cent of bus drivers.

Green Fleet Award

In recognition of the contribution made to reducing emissions in the capital, London buses was awarded the Transport Action Clean Up Green Fleet Award. The judges praised the way that London Buses through innovation and partnership, has led the way in the UK bus industry, prompting many cities around the world to adopt similar policies.

Integrated Transport Award

The Croydon Tramlink was the winner in the Large Interchange Project category of the Integrated Transport Awards 2001 presented on 4 April

Mayoral Strategies

Transport Strategy

Prior to the launch of the Transport Strategy on 20 June I released the results of the consultation on my draft transport strategy, and an opinion poll of 2,000 Londoners conducted by MORI. The results of the consultation which has been analysed by MORI illustrates strong backing from Londoners for my plans to tackle transport in the capital, including the Tube. Copies of the findings have been circulated to all Assembly Members.

The research indicates that transport is second only to tackling crime as a priority for London. The consultation further reveals nine out of ten people say they support my approach to dealing with the Underground. In addition, eight out of ten regard the strategy's approach to keeping the Underground management unified as important.

These results show London wants strong action to tackle the transport crisis. In particular there is massive support for my plans for unified management of the Underground. Londoners have also backed my proposal for a congestion charge zone in central London.

The MORI poll also reveals that tackling traffic congestion is rated as the most important priority. Improving Underground services comes a close second, and

improving bus services third. Nearly half of those questioned, 49 per cent, actively support the introduction of congestion charging. At 57 per cent, support is even higher among residents of the proposed central London charging area. This compares to four out of ten opposed to congestion charging.

Waste Strategy

As reported on 5 June, the Waste Strategy launch was delayed until after the General Election. We are currently updating some of the data and hope to hold the rescheduled launch by the end of July. The second part of the pilot recycling scheme was also launched in Brent on the 19 June. It was a successful launch.

Spatial Development Strategy/ London Plan

The consultation on *Towards the London Plan* is now firmly underway. The Deputy Mayor, Nicky Gavron and other advisers are currently visiting the boroughs and other key stakeholders to inform them of the plans and to gather feedback. Amongst other events, on 9 July I am holding a consultation meeting for women in London to hear their views about the plans.

In general, the consultation document has been warmly received by a wide cross-section of stakeholders and a wide number of useful points have been raised, which can be taken forward into the draft London Plan. I will consider a full report on the issues raised during the consultation after the consultation period has closed.

Further to this, I have agreed to commission a number of research projects, including one to identify what impact e-business will have on the nature and pattern of property development and planning across London. This followed a successful seminar with leading players in the field, to develop the ideas and challenges set out in the policy guidelines document, '*Towards the London Plan*'. The research will feed into the draft London Plan.

Environmental Strategies

I have agreed to external research being undertaken in relation to the development of my Environmental Strategies. This is in order to ensure that the Strategies I am developing in these areas are appropriate to deliver the best possible results for Londoners. The research will cost up to £130,000 in total.

Budget update

The process of preparing next year's budget is now underway. I will be discussing medium term (3-5 year) financial forecasts produced by the functional bodies in Budget Steering Groups with them during July and they will be taken into account in framing the detailed budget guidance that will be issued shortly.

An issue that has emerged recently concerns police funding. The three year government freeze on changes to the police funding formula has now ended and

the Home Office have re-opened discussions on how resources should be allocated. The GLA, MPA and MPS are represented on the Police Allocation Formula Working Group.

Following our work earlier this year with KPMG, Home Office officials appear inclined to accept that there is a need for a more fundamental review to take effect in 2003/04 rather than tinker with the current formula for 2002/03. However, other parts of the country are keen to implement the completion of the phasing-in of changes to the current formula, which had been held in abeyance during the 3 year freeze. These represent a potential loss for the GLA/MPA of about £20m; this is about 5% on the headline precept. To counter this proposal the MPA and I have jointly commissioned further work from KPMG and we will be putting forward proposals to the Home Office in July.

Contracts

I have decided to introduce a fair employment clause into the contracting procedures of the GLA. My intention is to make sure that outsourcing is not used as a way to drive down employees' pay and conditions and will hopefully set an example to other organisations.

Appointments

London Fire and Emergency Planning Authority

I have re-appointed the following Assembly Members to the London Fire and Emergency Planning Authority. Val Shawcross as Chair; Louise Bloom; Brian Coleman; Lynne Featherstone; Samantha Heath; Jenny Jones; Bob Neill; Trevor Phillips.

In addition, I have agreed that Roger Evans will replace Eric Ollerenshaw for the remainder of this year and will be re-appointed for the year 2001-02.

In consultation with the ALG I have re-appointed the existing Borough representatives as members of LFEPA. They are Liaquat Ali; Janice Long; Phillip Portwood; Roy Shaw; Toby Simon; Peter Forrest; Maurice Heaster and Anne Gallop.

These appointments were made on the basis of party proportionality

Metropolitan Police Authority

I have appointed Eric Ollerenshaw to serve the remaining period of office vacated by Roger Evans on the MPA.

London Pensions Fund Authority

I have appointed the following people to the LPFA Board.

Mr Neil Newton (Chair)
Mr Maurice Stonefrost
Mr Bill Roots
Mr Niaz Alam
Dr Ann Robinson
Mrs Jenny Rosser
Mr Andrew Cornwell - Green Party nomination
Cllr. Serge Lourie - Liberal Democrat nomination
Cllr. Pamela Batty - Conservative nomination
Cllr. Keith Toms - Labour nomination
Mr Kumar Murshid - LDA nomination

These appointments have been made following a very successful advertising campaign and I am sure that the new Board will build on the past success of the LPFA in making it an exemplar Pensions Authority which engages positively with the rest of the GLA Group and the London Community.

I am grateful to Maurice Stonefrost for agreeing to remain on the Board as Deputy Chair to ensure a smooth transition to the new Board.

I would also like to place on record my appreciation for the work of the current Chair of the Board, Bernard Harty, and his Fellow Board Members who are standing down on 30th June. As a result of their efforts the LPFA has a well-earned reputation for excellence and is in a good position to face the challenges of the future.

The appointments are for three years from 1 July although Maurice Stonefrost has indicated his intention to stand down by 31 December 2001.

Events

State of London Debate

The State of London debate was held at Church House on the evening of the 25 June and broadcast later the same evening by Carlton Television. I was supported in the debate by Judith Mayhew, Policy Chairman at the Corporation of London, who is also a member of my Advisory Cabinet.

The event launched a campaign which will make the case for a fairer share of public investment for the capital. London subsidises the rest of the UK by over £20 billion yet it has been left with the highest poverty rate in England, unemployment which is greater than that of Scotland and Northern Ireland combined and some of the worst housing, public health and homelessness in the UK.

On the same day I launched a new document: "Investing in London: The case for the capital" setting out the arguments for greater public investment in London. The document included new research by Tony Travers of the LSE showing that, according to Treasury figures, London's share of identifiable public expenditure has fallen from 18.0% to 17.2% in the five years since 1995/6 and that London is the only region with a rising population and a falling share of public expenditure. The research also showed that the regions which had gained at London's expense were not urban regions in the North of England, but the South East, East and South West.

The document also made the case for higher investment, particularly in transport, housing, education and policing, to protect London's competitiveness as a world city and to enable London to continue to play its role as a gateway for the UK to the international economy. Any brake on London's success would have a disproportionately severe impact on the national economy.

I am very pleased at the widespread support for the case set out in the document from business in London, London Boroughs and other stakeholders. One of my priorities over the next year will be to continue to work with the widest range of partners to make the overall case for investment in London and to resist any attempts to reduce Government funding and support for education, police and other key London public services.

London Day

On 3 July, I attended a number of events to mark the first anniversary of the formal assumption of the GLA's powers. In the morning, I attended the topping out ceremony for the GLA's new home, due to open in 2002 at the More London Bridge development near Tower Bridge. I also made a keynote address at a luncheon hosted by the New Statesman.

In the evening I hosted a reception in the Great Court of the British Museum for Londoners who have made a substantial contribution to the life of the capital.

London in Europe Launch

On 27 June I launched the London in Europe campaign for the Euro. At the all-party launch, I argued that the government should use its second term to immediately begin to advance the case for the single currency. Labour's unprecedented victory gives Tony Blair the moral authority to promote membership of the Euro.

Planning

Planning decisions (Stage two referrals)

I have sent letters in response to the following statutory referrals:

British Gypsum site, Erith

I have written to the London Borough of Bexley to say that I am not minded to direct refusal of this application for the construction of a storage and distribution centre with ancillary offices and associated car park and lorry park.

Planning decisions (Stage one referrals)

I have asked officers to send letters giving my comments about the following stage one referrals:

- Pinnacle/ Citadel site, Chiswick
- Dolphin site, Romford
- Maritime Industrial Estate, Charlton
- Springtime Nursery, Enfield
- Rose Bruford College, Sidcup
- Vanguard Wharf, Isle of Dogs
- Hayes Station Goods Yard, Hayes
- Cannon Street footbridge, City of London
- Moorcroft Complex, Hillingdon
- Crown Castle Transmission Centre, Croydon
- Barn Elms Sport Ground, Barnes
- Bishops Court, Whitgift Centre, Croydon
- Scrubbs Farm, Bromley

Appeals, Call-Ins, Public inquiries

Express Wharf, Westferry

I have written to Stephen Byers the Secretary of State for Transport, Local Government and the Regions asking that my request for this to be called-in for the Secretary of State's determination be withdrawn. After considering additional information requested from the applicant I have concluded that there are substantial reasons why this wharf is no longer suitable as a safeguarded wharf.

Any Assembly members seeking a copy of a planning report should contact Giles Dolphin on x4271

Culture

Notting Hill Carnival

On 19 June I met with the Metropolitan Police Commissioner, Royal Borough of Kensington & Chelsea and Westminster City Council about arrangements for Carnival 2001. All the major Carnival stakeholders are in agreement that it is not possible to change the route this year, but have all committed to a fundamental review and implementation of changes to the Carnival route in 2002.

There is also agreement that extra police on duty throughout the weekend, officers assigned to each Carnival band, 500 trained stewards and improved public transport provision will significantly improve safety arrangements this year.

Arts Council Funding

I welcome the Arts Council's announcement to award funding to develop and support the Black arts and cultural sector in the capital. £27,758,732 will be invested in the capital arts infrastructure of which £13,307,232 will be allocated to Black and Asian Projects which have consistently failed to receive a fair proportion of funding in previous grant awards. I am looking forward to continued work with the Arts Council to ensure the diversity of London is supported through arts funding for the capital.

London Partnerships Register

I have agreed to the establishment of the London Partnerships Register which will be open to all unmarried couples, both same-sex and heterosexual. Although the register will not give couples any new legal rights, I hope that couples who have registered with the scheme will be able to use it as additional evidence in any dispute or civil action that might arise over tenancy, pension or immigration rights. The small registration charge of £85 will mean that the Partnerships Register will be self-financing.

Health

On 14 June I launched a pioneering new project to tackle the massively high numbers of premature deaths from heart disease and heart attacks among the Bangladeshi community in Tower Hamlets.

Run by the Red Cross and London-based medical charity Bart's City Life Saver, the project will see a specially appointed community worker establishing links with the local community and developing culturally sensitive training in health and emergency skills. The project is jointly funded by the GLA and the NHS.

This is the first in a series of projects to get more Londoners trained up so more lives can be saved. In particular I want frontline staff like police officers and firefighters to have up –to-date skills.

Key engagements

Other engagements over the past month have included:

- I met with representatives of the taxi trade on 6 June
- I met with Dave Sullivan, the Mayor of Lewisham and Joan Ruddock MP to discuss the A2 on 6 June
- I launched the Central London Partnership integrated Transport and Environment Strategy on 13 June
- I spoke at a meeting of the Fire Brigades Union Regional Committee on 14 June
- I attended a banquet hosted by President Mbeki in honour of Her Majesty the Queen at the Landmark Hotel on 14 June

- I met with Stephen Byers, Secretary of State for Transport, Local Government and the Regions on 15 June
- I hosted a reception for the launch of “Africa at the Pictures” on 19 June
- I addressed the LGA Climate Change Conference on 21 June
- I hosted the Windrush reception on 21 June
- I met with the London Business Board on 22 June
- I met the with the London Arts Board on 27 June
- I attended the UK Pakistani Cultural Foundation Dinner on 27 June
- I attended the opening of Imperial Wharf on 28 June
- I hosted a reception for Gay and Lesbian organisations in London on 28 June
- I addressed the Arts Inform event on 29 June
- I attended Mardi Gras on 30 June

Ken Livingstone
3 July 2001