

BUDGET 2014

PROPOSED AMMENDMENTS TO THE
MAYOR'S DRAFT CONSOLIDATED
BUDGET FOR 2014–2015



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GLA CONSERVATIVES
GREATER LONDON AUTHORITY

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INTRODUCTION

This is the Mayor's second Budget of his second term and continues to demonstrate an administration that remains committed to reducing the burden on the taxpayer and creating a modern, dynamic and efficient GLA Group. This budget continues with the good progress made in reducing the precept and we welcome the 1.3 per cent reduction. Since his election in 2008, the Mayor has reduced the precept by over 24 per cent in real terms.

The last Budget contained ambitious savings targets for the Police and Fire Brigades, which they have dealt with in an exemplary manner, without harming the service provided to the public. However this year again sees declining funding from Central Government and a subsequent shrinking of revenue budgets across the GLA Family. However the Mayor's commitment to modernisation and efficiency mean that we have no doubt that the GLA Group can continue to deliver more for less.

Whilst we support this Budget, our amendment proposes a number of small but significant changes that will further reduce the precept (by 2.2 per cent, rather than 1.3 per cent) and aid the Mayor in reaching his target of a 10 per cent reduction over the term. The proposals include:

Removing the over-generous perk of staff nominee travel passes which TfL still cling to. This will provide £10 million additional income which will fund:

- £1 million towards detailed financial modelling and a full cost-benefit analysis for a one-hour bus ticket and part-time travel cards
- £2 million towards trial of converting empty garages across London into cheap business units for start-ups
- £7 million towards a precept reduction

CORE GLA – MAYOR

	Mayor's Draft	Conservative Proposal
	£m	£m
Funding a pilot to convert empty garages into business units	0.0	2.0
Reallocation of Retained Business Rates from Transport for London	0.0	-2.0
2013-14 council tax requirement	62.6	62.6

The Mayor has frequently stated that jobs and growth are his number one priority for his second term and that he will use everything in his – albeit limited powers – to create jobs and ensure the economy grows. He is currently on course to exceed his target of supporting 200,000 new jobs and the campaign to create 250,000 apprenticeships also continues at pace. This is a Mayor who delivers on his promises.

The Mayor states in his Budget that a key deliverable of the GLA will be to “identify new and better approaches to increasing housing supply.” GLA Conservatives have long argued that we shouldn’t risk damaging supply through market restrictions, such as rent controls, that make new developments less viable. We are pleased that the Mayor has stood strong on this issue. However, we have also, and will continue to, campaign for increasing the supply of family housing, which London so desperately needs.

The Mayor is also committed to using the available land in London more efficiently. That is why GLA Conservatives published a report arguing that we should make better use of the thousands of empty garages across London, converting those not suitable for housing into business units for start-ups. The report called on the Mayor to work with housing associations to establish a pilot project trailing the conversion. We propose allocating £2 million towards a pilot to convert 70 garages. It costs an estimated £26,000 to convert an empty, with 50 garages therefore costing £1.82 million. The remaining £180,000 would be used for the associated administration costs, such as conducting a pan-London analysis, identifying suitable locations and covering surveyor and planning application fees. This money will come from TfL, as part of the additional money raised following the scrapping of nominee passes.

CORE GLA – ASSEMBLY

As the Mayor gains greater powers and responsibilities it is right that the Assembly should also keep step with the changes so that it can fulfil its role in holding the Mayor to account. The recent Select Committee report was therefore hugely welcome, even if Assembly Members do not agree with everything it recommended. We welcome the 2014/15 savings target for the Assembly; it is only fair that we should make a fair contribution to the savings that are being found across the GLA Group as a whole.

We are not proposing any changes to the Assembly budget for 2014/15.

MAYOR’S OFFICE FOR POLICING AND CRIME

	Mayor’s Draft	Conservative Proposal
	£m	£m
Reduction in MPS’s contribution to the costs of transport policing	0.0	-7.0
2013-14 council tax requirement	562.2	555.2

The fact that crime in London is now falling faster than the rest of the country is a huge credit to the work of the Met. The Mayor’s strategy is clearly working and delivering a modern and well equipped police force operating from an estate that suits its needs. The 2014/15 budget sees a significant rise in capital expenditure and GLA Conservatives welcome the recent announcement about body-worn cameras.¹ We been pushing for the police to wear body-worn cameras for some time and we welcome the news that the technology will be trialled from April. Body worn cameras have been proven to “improve police integrity, accelerate cases

1. <http://www.standard.co.uk/news/london/scotland-yard-police-will-wear-cameras-to-prevent-confusion-after-duggan-shooting-9046727.html>

through court, assist with rapid evidence gathering and offer greater protection for officers". They also save officers huge amounts of time, both in paperwork and court preparation and are more likely to fore an early guilty plea.

A key MOPAC deliverable in this budget is to seek swifter justice by reducing delays in the criminal justice system – an issue first highlighted by our Group back in 2011. A report on this topic by GLA Conservatives also made a number of recommendations to help the CPS reduce the number of dropped and delayed trials including providing witnesses with the right information on where and when to come to court, to offer witnesses a pre-visit before a trial and to give prosecution barristers more time to sufficiently prepare for cases. We welcome the importance placed on this issue.

The decision to invest in legal experts to monitor screened out rape crimes is a positive step. We have repeatedly highlighted the problem of screened out crimes and the effect targets can have on distorting figures and so welcome this response. However we recommend that more is done to tackle data distortion and the screening out of other crimes.

We support the Mayor's desire to keep the number of police officers high – at or around 32,000 – but there are some signs that this policy may be having some negative effects on police morale. Increasing the numbers of lower ranking officers requires a corresponding thinning of officers at higher ranks. There is a risk this might lead to less experience overall and also to a lack of promotional opportunity and a knock-on effect on morale and increasing rates of attrition. MOPAC must monitor the situation closely to ensure that this does not get out of hand.

Our report *Shadow City* highlighted that the regular churn of top officers and a figure driven culture meant that there was little incentive for long term strategies to tackle serious problems such as exploitation and trafficking. The report also recommended protecting the anti-trafficking team and setting up multi-agency teams to foster better intelligence. While tackling trafficking may appear expensive, it is one of the most serious crime problems affecting London and, if the money is recuperated from traffickers, the investigations and teams would pay for themselves.

Our amendment includes a transfer of £7million from TfL to MOPAC (the additional money raised by scrapping nominee passes), through a reduction in the MPS's contributing to the costs of transport policing. This additional money will be used to fund a precept cut on MOPAC's budget, to be passed on to all Londoners.

LONDON FIRE AND EMERGENCY PLANNING AUTHORITY

GLA Conservatives share the Assembly's Budget and Performance Committee's conclusion that despite political uncertainty, LFEPA has done well to produce a balanced budget for 2014/15. The modernisation of the fire service is now underway, despite the luddite-esque attempts of some LFEPA members to block any proposed changes, including the empty claims that for the cost of just 1p per day, the Mayor could reverse the required cuts. In fact, these plans would have resulted in a budget gap of nearly £50 million in a few years' time.

Far from acting in a professional manner and helping LFEPA to deliver a balanced budget in financially constrained times, these actions have ended up costing Londoners more money, with the Mayor having to divert additional funds to compensate for LFEPA not being allowed to progress with making its required savings. We are not proposing any changes to LFEPA's budget for 2014/15.

TRANSPORT FOR LONDON

	Mayor's Draft	Conservative Proposal
	£m	£m
Additional income from removal of TfL employee nominee travel cards	0.0	-10.0
Funding for detailed financial modelling of part-time travel cards and a one-hour bus ticket	0.0	1.0
Increased spend on transport policing	0.0	7.0
Reallocation of Retained Business Rates to Core GLA – Mayor	0.0	2.0
2013-14 council tax requirement	6.0	6.0

As a result of prudent budgeting in previous years, the Mayor was this year able to bear down on fares without harming the vital investment programme. A below inflation rise, even if not quite intended, will help Londoners struggling with the cost of living and should be welcomed across the political spectrum. Finding the money to bear down on fares whilst also overseeing a 20 per cent rise in the capital programme shows an administration getting on with the job of delivering a modern transport network that is affordable to Londoners. The fares freeze has been made possible by the continued pursuit of savings. We especially welcome the reductions to project contingency and will monitor closely the new over programming system TfL have put in place.

GLA Conservatives have pushed hard over the last year for TfL to become more commercial, in particular to further expand the use of commercial sponsorship. With an ever-decreasing Government revenue grant and continued pressure to bear down on fares, raising additional income will become increasingly important for the organisation. We are pleased that TfL's commercial development targets have significantly increased and will continue to make the case for additional growth.

Yet despite this good work, TfL still hangs on to a number of over-generous perks that do not sit well with the times of public sector restraint in which we find ourselves. TfL's pension pot is one of these areas. In recent years, public sector pension schemes, including the police, have been reformed with many final salary pension schemes being phased out. Yet TfL still clings to its expensive scheme at the fare payer's expense. We realise that many of the ways in which savings can be made are not in TfL's hands, but rest with the schemes treatment by the Government. Therefore we are not proposing pension specific changes in this amendment.

However the second over-generous perk that TfL can reform directly is the staff nominee travel pass, for which we, and parties of other colours, proposed scrapping from last year's budget. We still do not believe that friends, relatives or lodgers of TfL staff should be entitled to free travel. TfL has not moved from its desire to keep this perk, but the Mayor has shown that there is a real cost, stating in answer to a Mayor's question that:

"If all TfL staff nominees and bus operator nominees were charged fares, the revenue raised could theoretically be of the order of £10m pa."²

2. http://questions.london.gov.uk/QuestionSearch/searchclient/questions/question_271759

We propose this money should be used for three things. Firstly, to pay for detailed financial modelling and a full cost-benefit analysis for part-time travel cards and one-hour bus tickets. TfL has given rough estimates for what they think these might cost – around £40 million in both cases. Scrapping nominee passes is clearly not going to pay for this in itself and we feel that detailed modelling and costing work should be completed and scrutinised before these new ticketing arrangements are brought in. We also hope that the introduction of a one-hour bus ticket will allow for a fundamental re-organisation of bus routes, especially in central areas, leading to significant savings in the long-run. We propose allocating £1 million to fund this work.

Secondly, £2 million will be used to fund the already mentioned empty-garage conversion pilot. The remaining £7 million will be used to fund a further reduction to the Mayor's precept. By reducing the MPS's contribution to the TfL Safer Transport Command by £7 million TfL can use the additional fares income received from those nominees no longer receiving free travel, with the saving from the MPS being passed on to a reduction of £7 million in MOPAC's council tax requirement.

LONDON LEGACY DEVELOPMENT CORPORATION

Work to transform the Olympic Park continues apace with the aquatics centre soon to become a public swimming pool and the parkland to be open to the public in time for spring. However there are some emerging concerns around the LLDC's finances, not least the costs of converting the Stadium to a football / athletics use and who is and is not paying for it. We do not want the LLDC to become a drain on the finances of City Hall and we will continue to monitor closely the development of the park. We are not proposing any changes to the LLDC's budget for 2014/15.

SUMMARY OF PROPOSALS – BUDGET REQUIREMENTS

Component Council tax requirement	Mayor's proposals 2014-15	GLA Conservatives' proposals 2014/-15
	£m	£m
Mayor of London	62.59	62.59
London Assembly	2.5	2.5
MOPAC	562.16	555.16
LFEPa	135.18	135.18
TfL	6	6
LLDC	NIL	NIL
Consolidated council tax requirement	768.42	761.42
Total Band D precept	299.00	296.28



FEEDBACK

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