

## 7 Getting things done for London

7.1 The Mayor's manifesto commitments set out his priorities and objectives for his second term of office, but we have already noted our concerns at the delays to police reform (chapter 4) and the reopening of the Olympic Stadium (chapter 5). We are also concerned that the Mayor may not be able to fulfil his housing pledges. As we have flagged up in chapter 1, London is growing and changing rapidly and the Mayor cannot afford to allow programmes to slip. Even if the investment is made at a later date, any delays mean that the benefits will not be felt as quickly as might otherwise be the case. Allowing the construction of just one new affordable home to slip by a year may not be a big issue in City Hall, but for that family waiting for decent accommodation it certainly is.

### Housing programmes are not progressing quickly enough

7.2 We are concerned that the Mayor will not reach his target to build 55,000 affordable homes by 2015.<sup>72</sup> Although more than 16,000 were built in 2011-12, the pace of construction has dramatically slowed, with only 425 homes started and just over 1,500 completed in the first half of this year.<sup>73</sup> Approximately 500 homes that were due to be built in 2012-13 have slipped into later years.<sup>74</sup>

7.3 Almost 20,000 of the 55,000 houses are to be completed in 2014-15. This means that almost 40 per cent of the affordable homes to be built in the four year period will not be finished until the final year. In view of the length of time it takes to build a new home it is also hard to believe that, with only 425 housing starts this year, nearly 20,000 homes can be completed in 2014-15. It is also obvious that the timing of this work does not maximise the benefits for Londoners. Although the Mayor's options may be limited by the structure of the funding package agreed with the government, waiting until 2014-15 to build 40 per cent of the affordable homes promised will leave many families waiting for several years to move into their new homes. It also restricts the ability of London's construction sector to act as an engine for growth and jobs in London at a time when this is badly needed.<sup>75</sup>

7.4 This profile is even more pronounced in the Mayor's ambition to improve 45,000 council-owned homes between 2011-12 and 2014-15.<sup>76</sup> Of these, over half will be improved in the final year. Again, these improvements could be so much more beneficial if the work was carried out sooner.

- 7.5 In both these cases – building new affordable homes and making improvements to council-owned homes – profiling the work so that such a large proportion falls in the final year increases the risk that the Mayor will fail to achieve these targets. Any slippage in these programmes may mean that some funding may be lost and, as we have already noted, an early Spending Review may jeopardise funding for 2014-15.
- 7.6 We are also concerned by the slow pace at which carbon dioxide emissions are falling in London. On current projections the Mayor will not reach his target to cut emissions by 20 per cent in 2015 compared to 1990 levels.<sup>77</sup> A significant element of the Mayor’s strategy to cut emissions depends on the installation of insulation and other energy-efficiency measures in London’s homes and public sector buildings – a process known as retrofitting – yet funding for this work is set to fall over the next two years.<sup>78</sup> We expect the Mayor to use his Budget to explain how he will accelerate the reduction in carbon dioxide emissions despite this cut in funding.

**Greater transparency would increase public confidence and help the Mayor demonstrate that progress is being made**

- 7.7 It is important that the Mayor is able to demonstrate that his Budget will be used to achieve his key objectives and will provide good value for money. The Mayor’s manifesto commitments give some indication of his key priorities, but do not always give specific targets that would allow performance to be regularly measured against. As a Committee we have made some progress in obtaining greater detail behind the headline commitments. For example, we now have annual targets for the construction of affordable homes and improvements to council-owned homes.<sup>79</sup> However, in other areas, such as job creation, apprenticeships and home retrofitting, we do not have the level of detail that we, the Assembly and London as a whole, need to judge the Mayor’s performance. The Mayor’s Budget is the obvious place to clearly set out the detailed targets that the Mayor aims to achieve with the funding available in 2013-14. Further information should then be provided in the GLA’s Business Plan, due to be published in March 2013.
- 7.8 The Committee’s access to information is patchy, but there are signs that this is improving. For example we now receive data on a quarterly

basis on police workforce from the MPS, and data on affordable housing by borough from the GLA. In other areas, however, we do not have the information we need to be able to carry out our scrutiny function effectively. One obvious example of this is around the Mayor's decision on TfL fares. As we mentioned in chapter 3, in September TfL declined to provide us with information on the implications of three possible fares decisions. The Assembly therefore has no way of challenging the fares decision or even reaching an understanding of how it was made. This is unacceptable and prevents the Assembly from carrying out its scrutiny function on behalf of Londoners. We hope that the Mayor shows the leadership needed to bring about real transparency in all parts of the GLA Group.

- 7.9 Improvements to services and infrastructure should be made as quickly as possible so that Londoners can enjoy the benefits. The back-loaded profile of work to build and improve housing fails to maximise the benefits that it will generate, and means that many Londoners will have to wait for longer than is desirable. It also increases the risk that funding from government might be lost if programmes slip and the Spending Review takes place earlier than when all the GLA's plans are based on. The Mayor still has an excellent opportunity to stimulate economic growth and employment by accelerating the construction of new affordable homes, improvements to existing council houses and retrofitting homes and buildings with energy-efficiency measures.**
- 7.10 The Mayor must make the GLA and its functional bodies more transparent, with a presumption that information should be made publicly available when requested. Exceptions to this should be rare, and made in line with group-wide policy agreed by the Mayor. The Assembly's Oversight Committee is currently carrying out a review into transparency at the GLA; the Mayor should take note of the review and act on its recommendations when it reports in spring 2013.**
- 7.11 It is vital that the Consultation Budget contains enough information for the Assembly to scrutinise it effectively. An important element of this is the inclusion of clear annual targets for each of the Mayor's objectives so that Assembly Members can properly understand the Budget they are being asked to approve.**

### **Recommendations**

9. The Mayor should provide annual targets for his key objectives in the Consultation Budget, allowing the Assembly to properly consider whether the Budget being proposed is appropriate. Where this is not possible for this year's Budget the Mayor should ensure that the GLA Business Plan, due in March 2013, includes this information.
  
10. We are concerned that progress this year to build new affordable homes and improve existing council houses has been slow, and the profile of work is heavily backloaded towards the end of the Mayoral term. The Mayor needs to focus on this area and ensure that rapid progress is now made. In the first instance we would like to see a clear explanation of how the GLA will build 31,000 affordable houses and improve 35,000 council homes over the next two years given the poor performance so far this year. We will also expect to see detailed evidence of progress in the quarterly updates now to be provided.

# References

<sup>72</sup> 55,000 affordable homes between the financial years 2011-12 and 2014-15.

<sup>73</sup> 16,173 homes were completed in 2011-12. 425 homes were started and 1,558 completed in the first six months of 2012-13 to the end of September 2012. Letter from David Lunts, GLA Executive Director of Housing and Land, to John Biggs, 20 November 2012.

<sup>74</sup> Investment & Performance Board, *GLA Project Performance Update at Period 5*, 25 September 2012, Appendix.

<sup>75</sup> It is estimated that up to two new jobs are created for one year from the construction of one home. HM Government, *Laying the Foundations: a Housing Strategy for England* (November 2011), page viii.

<sup>76</sup> 3,653 council homes were improved in 2011-12. Targets for the rest of the period are 5,850 in 2012-13, 11,197 in 2013-14 and 24,300 in 2014-15. Letter from David Lunts to John Biggs, 20 November 2012.

<sup>77</sup> London emitted 44.5 million tonnes of carbon dioxide in 2010, compared to 40.1 million tonnes as per the modelling underpinning the Mayor's Climate Change Mitigation and Energy Strategy (October 2011). Actual figure for 2010 is taken from the Department for Energy and Climate Change's Local Authority Emissions Statistics (23 August 2012).

<sup>78</sup> The budget for the RE:NEW home retrofit programme is due to fall from £3.3 million in 2012-13 to £0.3 million in 2013-14. Funding for RE:FIT public sector building retrofit programme is set to fall from £1.5 million in 2012-13 to £1 million in 2013-14 and £0.3 million in 2014-15. Draft GLA Budget 2013/14, page 25.

<sup>79</sup> Letter from David Lunts, GLA Executive Director of Housing and Land, to John Biggs, 20 November 2012.

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