



The Greater London Authority: The Government's proposals for additional powers and responsibilities for the Mayor and Assembly – consultation paper

London First submission

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Introduction

London First is a business organisation which campaigns to make London the best city in the world in which to do business. We mobilise the experience, expertise and enthusiasm of business leaders to deliver this aspiration, drawing on the support of our members who are 300 of the capital's major businesses, representing 26% of its GDP and 17% of its workforce.

We welcome the review of the powers of the Greater London Authority (GLA). When the legislation to set up the GLA was introduced in 1998, there was considerable nervousness about how a new form of city government would work. Its powers were therefore relatively limited. After nearly six years' experience – with a 'strong Mayor' model – the GLA is generally accounted a success. It is time to build on the foundations that were laid in the GLA Act.

In our recently published research, *Keeping the UK Competitive*, we have set out the challenges facing London in a changing world. It illustrates how London generates economic benefits for the rest of the country. At the same time, London contains many of the country's poorest communities. The report concludes that London's continued success is dependent on increased investment in skills and transport. It considers that an additional improvement in efficiency of 2.5% a year in overall public spending in London is achievable.

Although more investment is essential, it has to be complemented by governance structures that are capable of making effective and efficient use of the funds available and delivering better outcomes for London. Our 2004 report *Who is Responsible for London?*, concluded that the present arrangements are not capable of delivering the investment and reform needed to sustain London as a world city and accommodate growth, with population forecast to increase by 800,000 by 2016.

The current structures are far too complex, with too many agencies involved. These structures reflect the multiplicity of programmes and initiatives that have grown up, often dealing with the same issues. The Government Office for London (GOL) is involved in managing more than 40 individual programmes on behalf of 10 Whitehall departments. Eight agencies fund programmes for skills. The overlap between public agencies means that London fails to get best value from the total amount of funding available, local delivery bodies find it difficult to navigate the various funding channels and the number of agencies involved means unnecessary administrative cost.

In approaching the issue of the powers and responsibilities of the Mayor and Assembly, we have adopted the principle that functions should be devolved to the lowest tier of government capable of exercising them effectively. Government should be brought as close as possible to the electorate. We would therefore favour devolution from central to London government as long as the necessary changes, including transitional arrangements, are fully



worked out. Conversely, there would need to be a strong case for moving powers upwards from the boroughs to the Mayor – essentially an over-riding need for a London-wide approach.

A key test of the fitness of the governance structures is whether they are capable of meeting the challenges that London faces. London First's views on what these challenges are, and the structures required to meet them, are summarised below.

Transport

Transport is one of the most serious challenges facing London. Responsibility for transport in London has already been devolved to the Mayor. The present consultation, therefore, does not include transport. However, the existing division of responsibility for rail between DfT, Network Rail and Transport for London (TfL) is not capable of achieving the increase in capacity needed to cater for London's growth. There should be a London Rail Steering Group jointly chaired by the Secretary of State and the Mayor, and including senior representatives of the main stakeholders, to decide how this increase is to be delivered and operated.

Skills

London has the highest unemployment rate (7.5%) of any region or country in the UK. There are 1.5 million adults in London with low or intermediate skills. London is competing globally. Employers in many sectors – who would prefer to employ local people – in practice often find that they have to recruit suitable staff from other areas of Europe or the world. The current arrangements for delivering a skilled London workforce are widely regarded as over-complicated, unresponsive and inflexible. Delivering the skills agenda for London requires strong leadership, real business engagement and the flexibility to meet London's unique social and economic needs.

Planning

The London Plan has set out the strategy to provide for London's forecast economic and population growth. However there is a very long and uncertain process involved in translating the London Plan into bricks and mortar, through local plans and planning consent for individual projects. The planning system in London is widely considered to be slower and more complex than in other UK cities. London needs a planning regime that is more consistent, quicker and more responsive.

Housing

One of the major challenges facing London is increasing housing supply to accommodate the growing population. In particular, London needs more affordable homes for key workers in the private as well as the public sector. Responsibilities for housing policy and its resources need to become far less fragmented and any new arrangements should allow for the integration of



London's housing strategy with the London Plan and other regional strategies such as economic development and transport.

Waste

London authorities face substantial fines for failure to meet targets for reducing the amount of bio-degradable waste that goes to landfill. Little progress has been made so far in providing new facilities in London to reduce the use of landfill and it seems unlikely that current arrangements will deliver the required change. Changes in both the waste disposal and waste planning arrangements are therefore needed to enable London to meet the demands of an increasing population in a sustainable way. London needs a regional strategy as some local authorities may not be able to find space for new disposal facilities within their boundaries. There is also a need for strong leadership and an action-driven executive authority to achieve investment on the scale required.

Scrutiny

London First has always argued for a strong executive Mayor who is able to take decisive action and effect real change. This remains the principle on which our response is based. However, this does not mean that the Mayor's policies and activities should not be subject to genuine scrutiny. Clearly, this is not an easy balance to strike. The current checks and balances, in the form of the Assembly, are not sufficiently effective, certainly for any increase in the Mayor's powers.



London First Proposals – Summary

To achieve the outcomes highlighted above, London's governance structures need to change. Our proposals for change have, for the most part, been made in direct response to the options proposed in the Government's consultation paper. However, we have also highlighted where we believe further, often interim, measures could be implemented. In addition, there are areas which have not been tackled in the consultation paper that need immediate attention. In particular, we believe that real devolution is not possible without more independent sources of revenue for the GLA. We look forward to the conclusions of the Lyons Review on this issue.

Our proposals are explained fully below. In summary:

Skills (page 7)

- We recommend the establishment of a substantially devolved (but not independent) London Skills Agency, managed by the Mayor as a functional body of the GLA, provided that it meets the following conditions:
 - Its governing body has a majority of business members;
 - It has real flexibility in the allocation of funding;
 - It develops the open market for skills training in London, allowing a degree of choice in training provider for learners and businesses;
 - It is customer-focused;
 - It has world-class management.

Planning (page 9)

- Borough development plans should be required to conform to the Mayor's London Plan rather than just be 'in general conformity' with it.
- We propose that, while legislative provision might be made for the Mayor to have the power to direct approval, this should only be instigated once full assessment has been made of the impact of the change to development plans as well as our proposed immediate measures (see pg 9). The power should only be activated by the Secretary of State if these have been proved not to work.
- The Government should establish a specialist body of London Planning Inspectors to improve the appeal system in London and ensure that making an appeal is a genuine option for applicants. We consider that development in London is sufficiently distinct and important to the nation's well-being to warrant this.
- Boroughs should be encouraged to collaborate more and work together, including pooling planning resources where appropriate, building on the experiences of the Olympic Joint Planning Team.



- Applicants should be able to request the Mayor to call in the application for his determination where the borough fails to determine it within an agreed period.
- We consider that the Mayor should not be a statutory party to negotiations on Section 106 Agreements associated with strategic applications.

Housing (page 13)

- The London Housing Board should be chaired by the Mayor.
- The Mayor should be responsible for allocation of funding for subsidised housing.
- Safeguards should be maintained by combining any changes with appropriate reserve powers for the Secretary of State.
- The Housing Strategy should be statutory.

Waste (page 15)

- We recommend that a single waste authority should be set up accountable to the Mayor as a functional body of the GLA.
- The Mayor should be responsible for waste planning.

Role of the Assembly (page 17)

- Two Assembly members should sit on the board of each executive agency (LFEPA, LDA, TfL) – one of whom should also be on the overall budget committee. (The MPA board should not be altered).
- The Assembly should have the opportunity to propose amendments to a strategy and highlight issues of dissent, with the Mayor having power to reject its changes, but only after a formal process of public debate.
- The Assembly's scrutiny role should be extended to other bodies whose functions have a significant impact on London, including for example. industry regulators such as Ofwat.
- The Assembly should be supported by an office of the budget, with a role similar to that of the National Audit Office.

Government Office for London (page 19)

- Although the current review does not include the role of GOL, it is not possible to review the powers of the Mayor without considering the functions exercised by GOL. Most of the delivery functions of the Government Office should be transferred. leaving GOL as a small policy and review unit with a staff of perhaps 50.



Skills

- We recommend the establishment of a substantially devolved (but not independent) London Skills Agency, managed by the Mayor as a functional body of the GLA, provided that it meets the following conditions:
 - Its governing body has a majority of business members;
 - It has real flexibility in the allocation of funding;
 - It develops the open market for skills training in London, allowing a degree of choice in training provider for learners and businesses;
 - It is customer-focused;
 - It has world-class management.

Over an extended period of time, public sector skills training programmes in London have been unsuccessful in delivering a local workforce of Londoners with the right skills and motivation to meet all employers' requirements. One result is that London suffers from the highest rate of unemployment of any English region (7.5%), yet employers in many sectors (notably health, hospitality, construction) – who would prefer to employ local people – in practice recruit suitable staff from other areas of Europe or the world. The current arrangements for delivering a skilled London workforce are widely regarded as over-complicated and inflexible. The issue of most concern to the business community is the lack of real engagement with them in determining needs, priorities and funding allocations.

Arrangements should meet the following criteria:

- London's business employers must be genuinely engaged with both the skills funders (in the public sector) and the providers (in both public and private sectors) to develop a joint understanding of London's skills needs over the coming years, particularly in relation to the 2012 Olympics.
- There must be sufficient, real flexibility in the allocation of public sector skills and employment funding to address London's needs, and business employers must have a leading role in deciding (not merely advising) how this funding is allocated.
- The cost effectiveness of skills provision in London must be improved by the development of a genuinely open market – i.e. a degree of choice in training provider, for both individuals and employers.
- All public sector agencies responsible for delivering skills in London must have customer-facing measurements (e.g. customer satisfaction, creating sustainable employment) as well as their internal PSA targets from central government.



Overall we believe that these criteria would be best met by the establishment of a substantially devolved (but not independent) London Skills Agency, managed by the Mayor within the GLA family.

Bringing the skills agency within the GLA would ensure that training supported by the public sector in London is consistent with the overall economic development strategy for the capital. A London Skills Agency within the GLA would benefit from strong leadership by the Mayor, accountable to London voters, which would not be achieved with any of the other options. It would also provide the opportunity to introduce world-class management, capable of delivering change, as has been achieved through TfL.

The skills and training programmes currently delivered by other agencies in London should be brought together within the London Skills Agency. This will achieve sharper focus, more effective use of the resources available, provide a one-stop-shop for all clients and enable efficiency savings in programme administration.

We therefore recommend the implementation of Option 4 on Skills governance for London outlined in the ODPM consultation paper, provided it meets the criteria set out above.

The future skills governance structure in London must be complementary to, and build on, the other positive developments in this arena which are currently underway, in particular:

- The imminent launch of a reformed business-chaired Regional Skills Partnership, whose remit should be extended to include the skills and employment training programmes delivered by Jobcentreplus and GOL, as well as the LDA and LSCs.
- The new London Employment and Skills Task Force, whose role is to maximise employment opportunities for Londoners that arise from the 2012 Games.
- The London Business Board's 2012 Olympics Business Prospectus, to be launched in June 2006.



Planning

- Borough development plans should be required to conform to the Mayor's London Plan rather than just be 'in general conformity' with it.
- We propose that while legislative provision might be made for the Mayor to have the power to direct approval, this should only be instigated once full assessment has been made of the impact of the change to development plans as well as our proposed immediate measures (see below). The power should only be activated by the Secretary of State if these have been proved not to work.
- The Government should establish a specialist body of London Planning Inspectors to improve the appeal system in London and ensure that making an appeal is a genuine option for applicants. We consider that development in London is sufficiently distinct and important to the nation's well-being to warrant this.
- Boroughs should be encouraged to collaborate more and work together, including pooling planning resources where appropriate, building on the experiences of the Olympic Joint Planning Team.
- Applicants should be able to request the Mayor to call in the application for his determination where the borough fails to determine it within an agreed period.
- We consider that the Mayor should not be a statutory party to negotiations on Section 106 Agreements associated with strategic applications.

To retain its status as a world city and the driver of the UK economy, London needs a better planning system which is more responsive, faster, and takes account of the strategic needs of London as well as considering local issues. The planning system must support the critical objective of accommodating London's population and economic growth through higher density development on previously-used sites, in areas with good public transport accessibility.

The planning system in London currently fails to meet these objectives.

- Whilst housing output has increased in London in recent years, this has been at a time of sustained economic and population growth and in a rising market. Some boroughs still fail to meet their annual housing targets.
- Despite changes in national policy and the publication of the London Plan, development density in many boroughs has not increased to reflect policy changes and in some instances has decreased.
- The proportion of planning applications refused in London has increased by almost 40%, from 18% in 2000 to 25% in 2004/05. This is a higher number and larger increase than in the rest of the country.



- Applications still take too long to determine and too often are assessed in the context of local political issues rather than strategic planning policy and the wider needs of the capital.

London First members' experiences of the Mayor's planning powers to date have been broadly positive. However, there is some concern that the Mayor seeks to get involved in matters of detail which are not strategic. Mayoral policy, for example in supplementary planning guidance, can also be inappropriate in the level of detail.

Resources

Any change to the Mayor's powers must have regard to resource implications, including the impact that an increase in resources for the GLA might have on borough resources.

The operation of the existing system could be improved through greater training of planners and councillors regarding the implications of the London Plan for local decision-making and development documents.

Immediate Measures

Substantive change as a result of this consultation requires primary legislation which is unlikely to come into effect before 2008 at the earliest. Given the urgency of the need to improve the planning system, we recommend that the Government should give consideration to effecting immediate change through Ministerial statements and amendments to Circulars. This is particularly important for development plans given that the boroughs are currently producing Local Development Documents (LDD) under the new system, many of which will have been through Examination by 2008. In particular the Government can:

- make a Ministerial statement on the definition of conformity with respect to the relationship between the London Plan and LDDs. This would:
 - restate that the London Plan is part of the development plan and explain the implications for development plans and development control decisions;
 - strengthen the requirement for LDDs to reflect London Plan Policy;
 - clarify what is meant by "significant harm".
- request that the Mayor provides a statement of policies for Inspectors undertaking examinations on LDDs in order to clarify the Mayor's policy and ensure conformity with the London Plan.
- amend the Order to require borough planning committee reports to include a statement on relevant London Plan policies, as part of the development plan, as well as the Mayor's views on the application. Where the committee does not reflect either in its decision it should be required to give reasoned justifications.



Additional Measures

The failure of the appeal system to give adequate redress when bad decisions are made, due to the substantial delay in getting an inquiry date, contributes to the pressure to reform the Mayor's powers. If the appeal system were faster, with fast-track appeals for strategic schemes and a body of Inspectors specialist in London, this would improve the planning system and increase development.

We propose that the Government pilots improvements to the appeal system in London, including the appointment of London specific and specialist Inspectors. We consider that development in London is sufficiently distinct and important to the nation's well-being to warrant this.

This could be funded through charging and ring-fencing an appeal fee where an appeal is made to the London Inspectorate.

Development Plans

We share the Mayor's concerns that the London Plan, which is part of the statutory development plan in London, is not sufficiently reflected in some borough development plans and consequently in development control decisions.

We consider that the concept of general conformity is subject to too wide interpretation and dispute. Borough development plans should be required to conform to the Mayor's London Plan rather than just be 'in general conformity' with it. A requirement that borough development plans conform to the Mayor's London Plan would allow boroughs to establish local policies where appropriate, whilst ensuring that the London Plan is embedded in LDDs.

Development Control

The fundamental objective of any change must be to increase the speed of decision making, ensure that applications are not unreasonably refused permission and that boroughs assess them fully in the context of the development plan i.e. the London Plan as well as the local plan.

We propose that while legislative provision might be made for the Mayor to have the power to direct approval (Option B), this should only be instigated once full assessment has been made of the impact of the change to development plans as well as our proposed immediate measures. The power should only be activated if these have been proved not to work, for example not delivering on housing targets.

SECTION 106

We consider that the Mayor should not be a statutory party to negotiations on Section 106 Agreements associated with strategic applications.



We agree that in some cases development impacts are wider than the site and it may be appropriate to pool contributions. In this regard it may be beneficial for TfL to be a signatory to Section 106 Agreements. However, this should not be extended to other parts of the GLA family. Such obligations may be two-way and require TfL to undertake specific action.

Arrangements would also have to ensure that such pooled contributions do not inflate the amount of Section 106 required but lead to a re-prioritisation of requirements by the GLA and borough.

A fuller submission on planning issues is attached.



Housing

- The London Housing Board should be chaired by the Mayor.
- The Mayor should be responsible for allocation of funding for subsidised housing.
- Safeguards should be maintained by combining any changes with appropriate reserve powers for the Secretary of State.
- The Housing Strategy should be statutory.

One of the major challenges facing London is increasing housing supply to accommodate the growing population. Responsibilities for housing policy and its resources are, however, fragmented. The Mayor sets planning policy on housing requirements, density and proportion of affordable housing but the Housing Board, which deals with the allocation of public sector funding, is run by GOL.

The Mayor argues that current arrangements do not provide enough focus on increasing supply, do not result in the right type and mix of housing needed for London, and do not allow integration with the London Plan and other regional strategies such as economic development and transport.

London First has also argued that the combination of mayoral and government policies fails to tackle the need to provide intermediate housing for key workers in the private as well as the public sector – the people who keep the capital functioning.

On this basis, London First has previously proposed that:

- the Mayor should chair the London Housing Board, which should include private sector representatives;
- the Mayor should be responsible for allocation of funding for subsidised housing with a consistent policy on affordability and housing requirements in Section 106 Agreements, covering housing for key workers and students as well as social housing.

In order for the Mayor to plan more strategically we would also argue that government allocations should be longer term – in line with transport funding which has now been allocated for 5 years.

These proposals would be in line with Option B, as outlined in the ODPM consultation document. There remains, however, some degree of nervousness over a lack of accountability and we would agree with the Government that safeguards should be maintained by combining any changes with appropriate reserve powers for the Secretary of State. It is not clear, however, how the Government defines 'appropriate' in this context.



There should be a formal process for making funding allocations.

- The Mayor should publish draft allocations by, for example, the end of January – with a borough-by-borough breakdown and strategic schemes highlighted.
- There could then be a two week 'right to challenge' period after which the Mayor would be obliged to publish a response to any challenges.
- GOL should then have power to hold up a decision while Ministers decide whether to intervene, using the principles of Article 14 planning directions.
- The triggers for any Secretary of State intervention should be clearly defined. These could include reference by the Assembly and/or third party reference via GOL.

Elsewhere (and in previous submissions) we have recommended that bodies outside the GLA family should be accountable to the Mayor or, at the very least, subject to scrutiny by the Assembly in relation to the way their activities affect London. In this context, the former should certainly apply to the Housing Corporation and the latter to English Partnerships. The Housing Corporation should, however, retain flexibility to switch funds between regions within a financial year – London has benefited from being able to use under-spends in other regions.

We agree with the Mayor that the Housing Strategy should be statutory on the basis that the process of creating the strategy would, as a result, be more open and transparent and would provide an opportunity for challenge. The resulting strategy would carry more weight, particularly with the boroughs. These benefits would outweigh any resulting delays.

This is particularly relevant as there are concerns that current policy is not always based on comprehensive, up-to-date research and that the drive for both private and affordable family units (3-4 bedrooms) does not necessarily match market demand. There are also concerns that certain housing types or mixes are neither socially nor commercially viable. For example high-rise/high-density, socially-rented accommodation can create social problems. Equally, it can be very difficult to attract private buyers to mixed tenure dwellings.



Waste

- We recommend that a single waste authority should be set up, accountable to the Mayor as a functional body of the GLA.
- The Mayor should be responsible for waste planning.

This consultation is concerned with municipal waste. Issues of non-municipal waste, which accounts for 60% of London's waste stream, are much less contentious. Business in London is nevertheless concerned about the lack of facilities for municipal waste.

First, under the EU Landfill Directive, London authorities face substantial fines for failure to meet targets for reducing the amount of bio-degradable waste that goes to landfill. It cannot be in the interest of London as a whole for London authorities to be forced to increase council tax to pay these fines. Little progress has been made so far in providing new facilities in London to reduce the use of landfill and it seems unlikely that current arrangements will deliver the required change.

Second, new facilities for other methods of disposal – recycling, composting, biological treatment, pyrolysis and conventional incineration – would provide capacity that could also be used for commercial waste. This would help to reduce costs for all concerned.

Commercial operators are also seriously concerned about the difficulty of obtaining planning consent for new facilities. An impasse on planning consent has meant no infrastructure for waste disposal has been built for the last 7 years. The London Plan determined that consent for each plant should be decided on its merits, while boroughs' unitary development plans do not identify sites for new facilities. Several major schemes remain locked in dispute.

Changes in both the waste disposal and waste planning arrangements are needed to enable London to meet the demands of an increasing population in a sustainable way.

- The strategy has to be London-wide. Some authorities, e.g. in central London, may not be able to find space for new disposal facilities within their boundaries.
- There is a need for strong leadership and an action-driven executive authority to achieve investment on the scale required.
- The strategy should identify sites for new facilities.

This is more likely to be achieved by a single waste authority as a functional body of the GLA (option 1) than by a joint committee of the boroughs (option 2). The Mayor should have appropriate planning powers (option A).



However, if option 1 is not accepted then as a minimum, the following changes are needed:

- The 12 authorities that currently manage their own waste disposal should join sub-regional joint authorities.
- The sub-regional authorities should be required to publish a waste disposal plan that conforms to the Mayor's strategy.
- The Mayor should have powers to direct changes to the sub-regional plans or, as a last resort, take over the functions of an authority. There are similar powers in relation to the Mayor's transport strategy.
- The Mayor should have enhanced planning powers over waste facilities, including allocation of sites, powers of direction over local plans and determination of strategic applications (option E).

In addition, there should be stronger financial incentives for authorities to provide facilities for waste disposal. Consideration should be given to a London tradable allowance scheme, which would reward authorities that provide new facilities at the expense of those that fail to do so.

We are concerned, however, about the proposed London Plan alteration on waste. In our view the effect would be to reduce efficiency in the management of waste and increase the environmental impact through the development of a large number of smaller facilities. These will be matters for the examination in public in due course. They do, however, illustrate the need for an increase in the powers of the Mayor to be accompanied by a stronger role for the Assembly in relation to mayoral strategies (see below).



Role of the Assembly

- Two Assembly members should sit on the board of each executive agency (LFEPA, LDA, TfL) – one of whom should also be on the overall budget committee. (The MPA board should not be altered).
- The Assembly should have the opportunity to propose amendments to a strategy and highlight issues of dissent, with the Mayor having power to reject its changes, but only after a formal process of public debate.
- The Assembly's scrutiny role should be extended to other bodies whose functions have a significant impact on London, including, for example, industry regulators such as Ofwat.
- The Assembly should be supported by an office of the budget, with a role similar to that of the National Audit Office.

There are concerns that the Assembly is not effective enough in its scrutiny of the Mayor. London First has previously suggested that if the powers of the Mayor are to be increased, the Assembly's scrutiny capacity should also be strengthened. Members are certainly concerned about the current lack of checks and balances in the system. There is also a question whether membership of the boards of functional bodies compromises the ability of Assembly members to scrutinise them.

The ODPM consultation argues that *"the GLA model works well and we do not propose to make fundamental changes to the relationship [between the Mayor and Assembly]"*. We agree with the options in the ODPM consultation paper that the Mayor should have an explicit duty to have regard to Assembly responses to consultation and that the Assembly should have a stronger role in relation to mayoral strategies. The issue is whether they go far enough in increasing the check and balance role of the Assembly to counter an increase in mayoral powers – without entirely frustrating his efforts to fulfil the mandate on which he has been elected.

With regard to the Mayor's strategies, the role of the Assembly could be altered so that it has the opportunity to propose amendments to a strategy and highlight issues of dissent. The Mayor would have the ultimate power to reject its amendments, but only following a formal process with greater transparency and debate. A process of this kind would enhance accountability without fettering the Mayor's powers.

We also support the option for extending the Assembly's scrutiny role to bodies which are not accountable to the Mayor. There is a number of agencies – national as well as regional – whose functions have a significant impact on London. As noted in our comments on housing, these include agencies such as the Housing Corporation and English Partnerships. They also include industry regulators such as Ofwat and the Rail Regulator, whose decisions on pricing determine the level of investment in key areas of London's infrastructure.



There are two other areas where the Assembly's remit could be altered to provide a more powerful scrutiny role: board membership and financial scrutiny.

As mentioned, on board membership we have highlighted a potential conflict of interest, or 'neutralising' of the Assembly members, given their board positions. That said, they provide a useful 'eyes and ears' function – in particular as regards the budget. We therefore suggest including two Assembly members on the board of each executive agency (LFEPA, LDA, TfL) – one of whom should act as an observer on the board and also be on the overall GLA budget committee. The same arrangement should apply to any new functional body set up as a result of this review. We believe the board of the MPA should probably stay as it is, as it needs a balance of elected representatives and appointees. However, if the proposal that the Mayor should chair the MPA is accepted, membership of the MPA should accordingly be reduced to enable the Assembly to scrutinise the MPA more effectively.

There is a need for more detailed scrutiny of the Mayor's expenditure to ensure value for money as well as propriety. While the GLA operates under the oversight of the Audit Commission, the Commission does not generally undertake inquiries into specific programmes. The Assembly does carry out scrutinies of individual programmes, such as the LDA childcare programme, but it does not have the resources to carry out many in-depth inquiries. Moreover, the Assembly's budget is part of the overall GLA budget that is set by the Mayor. We recommend that there should be an office of the budget, on the lines of the National Audit Office, which reports to the Assembly.



Government Office for London

- Although the current review does not include the role of GOL, it is not possible to review the powers of the Mayor without considering the functions exercised by GOL. Most of the delivery functions of the Government Office should be transferred, leaving GOL as a small policy and review unit with a staff of perhaps 50.

London First has previously recommended that most of the programme delivery functions of the Government Office for London should be transferred, leaving GOL as a small policy and review unit. This would indicate an office of nearer 50 than 300 staff.

Therefore we recommend that GOL's role should include:

- acting as a channel of communication between the Mayor and GLA and central government;
- keeping Ministers informed on London issues and advising them on issues of national importance;
- monitoring the performance of London authorities;
- negotiating with parent departments and the Treasury core Government funding for TfL and LDA
- co-ordinating government departments and agencies responsible for London resilience.

Other GOL functions would be assigned as follows:

- The Mayor would become chairman of the London Housing Board, responsible for allocation of housing funds to boroughs.
- The LDA would administer regeneration and skills programmes;
- The MPA would co-ordinate crime/community safety programmes.