

London Assembly Plenary Meeting – Wednesday 27 January 2021

Transcript of Item 3a – Mayor’s Opening Statement

Sadiq Khan (Mayor of London): Good morning. After many dark months during this pandemic, the rollout of the COVID vaccine finally means we can see some light at the end of the tunnel. However, the situation in London remains extremely grave. I begin by paying tribute to our heroic National Health Service (NHS) staff who, as we speak, are saving lives on wards across our city. They are the best of us and we have an obligation to repay them, as well as all the Londoners who have made such great sacrifices in recent months, by committing to build a better London in the aftermath of this crisis. This is exactly what the Budget, in the most difficult circumstances, is seeking to help deliver.

Unfortunately, though, we are being forced to work with one hand tied behind our back because the Government is still refusing to fully refund the Greater London Authority (GLA) and mayoral bodies for the money we have spent on responding to the pandemic and the income that we are losing as a result of falling tax revenues. In effect, this means that the Government is imposing a new era of austerity on public services across our city at the worst possible time. This will not just impact the GLA, Transport for London (TfL), the Metropolitan Police Service (MPS), the London Fire Brigade (LFB) and our development corporations, but our key delivery partners too, like local councils.

As Mayor, I am doing everything in my power to protect London’s frontline services and to mitigate against these further cuts by the Government. I have personally taken a 10% pay cut to my salary and continue to decline to take pension contributions. I have taken the difficult decision to relocate City Hall to a new permanent home in Royal Docks, which will save £61 million over the next five years. However, we still face a staggering financial challenge as a city. Based on forecasts from billing authorities, I am advised that the GLA will lose £493 million in council tax and business rates income this year and next. We await final figures from councils and we expect the numbers will change, but for now we have to plan on the best information we have.

My top priority is and always will be the safety of Londoners, so I am particularly concerned about the potential impact of the Government’s cuts on policing and crime. After the last economic downturn, Ministers short-sightedly cut funding to the police and youth services from 2010. I am doing all I can as Mayor to protect the MPS from the worst effects of the Government’s austerity by using reserves I have prudently established to support frontline policing.

After facing huge pressure from Government Ministers, we are also having to increase council tax by an average £2.63 a month from this April to help pay for policing, as well as for the LFB and public transport concessions for under-18s and over 60-year-olds. This works out as an increase of 9.5% in the mayoral portion of council tax, less than half the 21% my political opponents have been telling Londoners.

As I have always said, I believe council tax is a regressive form of taxation. It is in desperate need of reform, but the Government has left us with no other option, due to the new era of austerity it is forcing upon us, which goes above and beyond the challenges of the last decade. As Mayor, I will continue to stand up to the Government, which is punishing Londoners for doing the right thing during this pandemic. I will continue to work towards that better, greener, fairer future for our city that we all want and desire; a future where we help all Londoners who are unemployed and help create high-quality and well-paid jobs; a future where we can

continue to build the affordable homes Londoners need; and a future where we can engineer a recovery that leads to a cleaner, greener, safer city with healthier, more cohesive communities. This is what forms the core rationale behind my Budget proposals and I welcome the opportunity to discuss them further today.