

MAYOR OF LONDON

Shaun Bailey AM

Chair of the Economy Committee
C/o Lauren.Harvey@london.gov.uk

Our ref: MGLA110321-7983

Date: 22 July 2021

Dear Shaun,

London Assembly Economy Committee Meeting – Referred Motion

Thank you for your predecessor's letter of 10 March about the motion on Universal Basic Income agreed at the London Assembly Economy Committee meeting on 2 March 2021. Please accept my apologies for the delay in responding.

Prior to the pandemic, I had consistently called on the Government to overhaul the welfare system. Far from being a tool to protect people from financial hardship, it was instead pushing thousands of Londoners into poverty following a decade of cuts and ill-conceived reforms.

While Universal Credit still falls short of what is required to meet the cost of living in London, the temporary increases introduced in response to the pandemic have highlighted that effective action to support living standards can be taken through the existing welfare system. Furthermore, significant interventions introduced during the crisis, like the furlough scheme, have demonstrated the potential for innovative thinking to protect incomes when there is a genuine commitment to do so.

As we bring our collective effort to build back better from the pandemic, we should remain open-minded to all options for protecting against financial hardship. A new settlement offering proper security for all is needed to support London's future resilience. This new vision of welfare might include ideas like a universal basic income.

My officers have commissioned the University of Essex's Centre for Microsimulation and Policy Analysis (CeMPA) to produce research on how COVID-19 has impacted levels of financial hardship in London. The findings of the research will be published later in the summer and will focus on how adopting different welfare policies in the wake of the crisis could prevent or alleviate financial hardship, including universal basic income.

I will ask my officers to share the findings and recommendations of this research with the Economy Committee when it is published. The research will also be shared with the Government, and I will call on them to take action in response to the findings.

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I would like to thank your predecessor for sharing the approaches that boroughs are taking to develop UBI proposals. Through the Robust Safety Net mission of the London Recovery Board, my officers will work with boroughs and London Councils to explore, support and promote the best and most innovative approaches to supporting residents on low incomes.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London