

London Assembly (Mayor's Question Time) – 14 December 2011

Transcript: Mayor's Oral Update

Boris Johnson (Mayor of London): The Assembly has asked for updates on five matters. The funding negotiations between the Greater London Authority (GLA) and the Government was certainly one of them and I can tell you that negotiations are going on though, as is quite common in this particular period, they are not yet complete. On one matter I know that Members will be wanting to have reassurance: I am absolutely clear that we will be able to keep police numbers high and around 1,000 more than there were in 2008. I know that will be a reassurance.

On the Get Set programme, I can tell you that there are still some schools that are not yet signed up for the Get Set programme. This is an opportunity for schools in London to get their hands on a grand total of 125,000 free tickets to the Olympic and Paralympic Games. It is a fantastic programme. The deadline for that programme is 16 December, coming right up on Friday, so I hope very much that all schools who have not yet signed up will do. Some boroughs have done brilliantly and some have done less brilliantly, but there are still some gaps in the programme and we are hoping to see them filled.

You have asked for a briefing on the European Summit and Britain and London's relations with the European Union (EU) following the summit in Brussels last Wednesday and Thursday. In my view, the outcome of that summit leaves Britain's economic relations with the EU and indeed London's relations substantially - in fact completely - unchanged. What I would say is that it is more important than ever that our friends and partners resolve the problems surrounding the euro and remove uncertainty that I think is starting to bedevil the whole international economic scene, and has been actually for some time.

You have asked for an update on fares and the £136 million that we were able to secure in the Autumn Statement. That is being used to cut the fare increase in January, which means that average fares will go up by 5.6% and for Oyster pay as you go, for instance, on the bus, a single fare is only going up by 5p or 3.8%, under the rate of inflation. The critical point to make there, as everybody will understand, is that that is extra cash which we have from the Treasury as part of the general package to alleviate fare increases across the whole of the national rail network. The critical point about that £136 million is it allows us to continue with investing every penny piece of our planned infrastructure funds and to go ahead with delivering the transport upgrades that I know Londoners want and need.

The final thing is the bendy bus, which has been finally dispatched to its happy hunting grounds. I think some of them have gone to Malta, as far as I understand. I wish the Maltese every joy of them. I would simply say to all those bendy bus recidivists who would yearn to bring it back - I know that this is the policy; I have read somewhere that this is the policy of some Members around this horseshoe - that there is a very clear choice. You can bring back the bendy bus, which is after all a machine made in Germany not suitable for the streets of London,

or you can go with a wonderful new, cleaner, greener, Routemaster-style bus with a hop-on/hop-off feature that was wrongly taken away and that will deliver British jobs and British growth. I know which one I would choose.

Tony Arbour (AM): You have mentioned the negotiations with the EU in your commentary this morning. When you next see the Prime Minister, would you please congratulate him on behalf of my constituents and indeed all of London on the preservation of a very large number of jobs in the City of London, which we all know is the engine room of the capital? They are extremely grateful to the Prime Minister for his steadfastness in standing up for English, British and London interests and --

Boris Johnson (Mayor of London): And Scottish.

Tony Arbour (AM): North British, I think Scotland is really, is it not? Will you also say that Londoners do appreciate his steadfastness, unlike that of the Liberal Democrats who from day to day change their views on the matter? It is clear that at the end of the day they are interested in their own political ends rather than the welfare of Londoners and the population of the United Kingdom of Great Britain and Northern Ireland.

Boris Johnson (Mayor of London): Tony, thank you. I am sure Downing Street will register what you have said with their usual attention. If not, I will of course convey that to the Prime Minister. I think I am going to see him later on today.

As it happens, the reality is that this matter has been slightly overdone. What really happened was that there was a summit that was really designed to achieve a long-term and convincing solution to the problems of the euro and it did not really do that. That is the fundamental problem that continues to beset us all. Until we really sort that out, it will be difficult to crow and to proclaim triumph. The most important thing is that the eurozone countries come up with an answer to the problems that the markets are posing them. It is not clear to me that they have it yet.

Roger Evans (AM): I certainly do not want to crow, Mr Mayor, but I would say that --

Boris Johnson (Mayor of London): I do not want you not to crow. By the way, I think the Prime Minister did brilliantly.

Roger Evans (AM): Indeed. I do not want to crow, but many of my constituents were very pleased to see a prime minister standing up for this country in Europe, including people from Redbridge who are in the audience today to enjoy this occasion.

Boris Johnson (Mayor of London): Great.

Roger Evans (AM): Looking at London's role in the developing economies and the world out there, what are you doing to focus our attention on trading with growing economies outside Europe - Brazil, Russia, India and China (BRIC) - the sort of people we can trade with without having to bail them out or accept ridiculous regulations from them?

Boris Johnson (Mayor of London): I do not in any way want to minimise the importance of trade with the EU. The EU remains our single largest trading partner and it is vital to just get this essential point across. There is no extra threat, I believe, to the City of London as a result of any of these negotiations. It was always possible to proceed with some regulations and directives at Qualified Majority Voting (QMV). That has always been open to our friends and partners. With the financial transaction tax is its unanimity and that will continue to be so, so I do not envisage any extra danger.

What I certainly think is right is that we should be aware of the extraordinary success that London is having in attracting investment from the BRIC countries. I think I am right in saying that the London Stock Exchange now lists 68 BRIC companies, more than any other stock exchange around the world, with a total market capitalisation like £325 billion. There are more Chinese students in London now than any other non-Chinese city in the world. That is a testimony to the incredible attractiveness of London's education institutions. We have a constellation of great higher education (HE) institutions and that is growing the whole time. In spite of the difficulties we have seen around university financing, we are continuing to attract large numbers of international students.

We are seeing increasing investments not just from India and Russia, but also I mention Turkey. Other non-EU countries are starting to invest in this city and their companies are setting up offices here on an accelerating scale. Our job, of course, with London & Partners which we have set up, is to engage actively to promote London across the world as vigorously as we can and we are doing that. There will be a huge opportunity to do that in 2012, which we will exploit to the full in this place which will become London House.

Also, of course, this argument about the BRIC countries feeds into the general puzzle about aviation. As long as we are losing out to other European capitals in being able to send our business people to these growth economies in the way that France and Germany can, then we are potentially hobbling the ability of British business people to compete and to get out there. Actually, I had a fascinating discussion with the ambassadors from virtually the entire Latin American continent - the whole of South America - who were saying what a tragedy it was for London that there were so few slots from London to those Latin American capitals and it really was time for us to think of a long-term solution, and obviously they understand the difficulties around expanding Heathrow. So I do think the EU will continue to be our number one trading partner for the foreseeable future, but that does not mean that these other economies are not the place to go.

Len Duvall (AM): Thank you very much, Mr Mayor. I did not think I would be saying this, Chair, but I would like to thank you for those thoughtful remarks. They are not usually what you would put before this Assembly around the situation we face which is highly risky in terms of the London economy - never mind the national economy - after we played all our cards at that Friday summit and lost our role to negotiate further issues.

Can I just ask you, Mr Mayor, you clearly have been thinking about these matters seriously. We know your views on a referendum. Can I take it from your remarks then that you do not think it is in Londoners' interests that we, if there is ever an opportunity, leave the EU? Yes or no.

Boris Johnson (Mayor of London): I have been very clear about this for a long time. The answer is no, Len, just before you say, "Yes or no". I do not think that you will find in our lifetimes that the British establishment - the whole galaxy of political business interests and people who believe and care about this country - when it really comes to it, will want to see us excluded from all the institutions of the EU. Five hundred years of British diplomacy has been about making sure that you do not get continental powers effectively allying against us.

Just to go back to my earlier answer and what is happening with the European summit, I do not think that is, funnily enough, what is happening now in Brussels with our European friends. They are desperately trying to resolve an impossible problem. They are trying to get themselves out of the unholy mess that they have created by going ahead ill-advisedly with a single currency involving more members than could possibly stomach it, and could cope with its economic impact. That situation needs to be resolved. I do not happen to think it can be resolved by creating, as was proposed, a kind of economic government of Europe and creating a fiscal union. That is the wrong way to go. That will intensify the problem. It will intensify the anti-democratic nature of the monetary union. It is perfectly clear from what is happening today if you read the headlines in the *Financial Times* (FT) and you look at some of the discussions that are going on now in other European capitals, there are anxieties about even the proposal tabled by Angela Merkel [German Chancellor] and Nicolas Sarkozy [French President] and real doubts about whether it can be made to work.

So what I would say to you, to get back to my earlier analysis, is that what happened in Brussels was not perhaps as dramatic in its relation to Britain as has been portrayed. Plenty of other Prime Ministers, from Tony Blair to Margaret Thatcher, have vetoed things that they did not think were in the national interest. The Prime Minister did completely the right thing and I share very much what Tony and Roger are saying. But the critical thing now is for them to sort out the euro.

Andrew Boff (AM): Mr Mayor, would somebody from your office please contact Miss Emma Penzer, the head teacher of Mandeville School, which is very close to the Olympic site in Hackney? They have been a member of Get Set for more than a year now and yet have been told that they will be charged £850 for a visit by the Olympic mascots. I would hope that we can rectify this. Ironically, of course, the name of the school is Mandeville, which is one of the Olympic mascots, but they have been told that they are going to be charged £850. As part of Get Set, it was implied that such visits would be free and I hope you recognise that a small school cannot afford that kind of money.

Boris Johnson (Mayor of London): I do recognise that and that does seem excessive, Andrew. That seems an incredible fee to charge for a personal appearance by --

Dee Doocey (Deputy Chair): It was raised before.

Jennette Arnold (Chair): That is the cost. We knew that.

Kit Malthouse (AM): No, that is if you are not a member of Get Set.

Andrew Boff (AM): If you are not a member of Get Set, there is a charge.

Kit Malthouse (AM): If you are a member of Get Set it is free.

Dee Doocey (Deputy Chair): We raised that before with the Mayor.

Jennette Arnold (Chair): We have raised this before with the Mayor.

Boris Johnson (Mayor of London): Would you like me to finish my response? Thank you so much. If you are correct that Mandeville School is being charged £850 for a visit by Wenlock and Mandeville, then I will look into it, but obviously it is open to them to join Get Set.

Andrew Boff (AM): No, they have been members for more than a year.

Jennette Arnold (Chair): They did not get the ballot.

Andrew Boff (AM): That is the point. They have been members. That is the first thing I asked the school, "Are you a member?"

Boris Johnson (Mayor of London): I see. So in spite of their membership of Get Set, they have been charged?

Andrew Boff (AM): In spite of their membership, they are being charged.

Jennette Arnold (Chair): There was a ballot and they did not win the ballot. They did not win the visit in the ballot and now all they have to do is pay.

Boris Johnson (Mayor of London): I will find out why Mandeville School is being charged this exorbitant amount and I will do everything within my power to ensure that the children of that school get a visit from Wenlock and Mandeville, whether they want it or not.

Andrew Boff (AM): Thank you very much.

Jennette Arnold (Chair): Can I just be clear here, Mayor, does that mean that you are going to pay for that visit for that school?

Boris Johnson (Mayor of London): I am going to do everything within my power without breaching any rules of the GLA.

Jennette Arnold (Chair): It will be interesting to see what you can do there.

Richard Tracey (AM): Mr Mayor, can I also congratulate you on your support for the Prime Minister last Friday? I just want to make this point to you. You worked in Brussels in the past. Do you not feel that the Prime Minister's support for the City in what he said in Europe was no more than what President Sarkozy and various former French presidents have been saying about French farmers and the Common Agricultural Policy (CAP) over the years? There surely needs to be some rebalancing there pretty soon.

Boris Johnson (Mayor of London): Your point is well made, in the sense that anybody who follows negotiations in the EU will know that Prime Ministers of all countries stick up for their national interest with ferocity. I remember the Spanish Prime Minister being particularly vigilant about Spain's claim to Irish fish which he vindicated at every opportunity. I have already mentioned Tony Blair being very tough, just as tough in a way as you would expect the Prime Minister to be today over the issue of the withholding tax. Unfortunately he was less tough over the budget rebate and he made a serious mistake there, but from time to time every Prime Minister will have to exercise national prerogative to say, "This is a bad idea and we do not want to do this". The Prime Minister did exactly the right thing last week and the longer the story moves on the clearer it is that what he said about the fiscal union and Britain's ability to participate in it is shared by others.

Gareth Bacon (AM): Mr Mayor, on the same subject of the EU, there has been a lot of scaremongering, not really from across the political spectrum but from certain sectors of it and from various politicians, including some who are quick to criticise but have no idea what they would have done in the same circumstances, which is very interesting. Is it not the case, Mr Mayor, that to move the EU forward - and it is supposed to be a forward-looking project - that it requires treaties and that it is a fundamental principle of the founding of the European Economic Community (EEC) - as it was, and then Union - that treaties require unanimity in order for that to take effect?

Boris Johnson (Mayor of London): Yes, that is absolutely right. Treaties can be convened by QMV but they cannot be agreed except by unanimity. Clearly if you are going to have a new treaty on fiscal union, then you have to have everybody signing up. I am just cautioning in thinking that this was all about the City of London. Fundamentally, it is about the direction that Europe is taking. Do we want to go down the route of creating a set of very dense bureaucratic structures that oversee national budgets? Do we really want national politicians being told that they cannot run tax spending policies in the way that they think they are democratically mandated to do? That will cause real difficulties, I believe, in our union.

Gareth Bacon (AM): Quite so. It has been observed in the past that in all of the intergovernmental conferences (IGCs) that lead to treaties, Britain huffs and puffs but always agrees in the end, which is a rather one-sided negotiating tactic, I would suggest. Contrary to what Mr Duvall said, given that it is going to be an ongoing process of negotiation for each consecutive treaty, would you say that saying no in this case is tantamount to throwing all of your cards on the table at once, or is it actually standing up and showing leadership for the people that elected you in Britain's and London's best interests?

Boris Johnson (Mayor of London): Absolutely right, and it was completely in the interests of London and of Europe as a whole because, after all, do not forget that all that these measures that might be devised to attack the City of London would succeed in doing is driving business overseas and that would be damaging for Europe as a whole.

Gareth Bacon (AM): If these measures did come to pass and if the scaremongering people on the left are correct, would that not then strengthen the Prime Minister's hand at the next IGC and the next treaty and give him more room for driving a hard bargain with our partners in Europe?

Boris Johnson (Mayor of London): Yes. It is very important in all this not to get too paranoid about this concept of isolation or marginalisation or however we want to describe it. As I said just now, all governments and all Prime Ministers around the EU occasionally have to assert their views about how the EU should proceed and there is a kafuffle or a hubbub about it.

People said - and I remember vividly the arguments - that Britain and the City of London, this place where we are now, would suffer dramatically from being excluded or marginalised from the euro. There were people in the Labour Party who said that and there were people, I am afraid, in the Conservative Party who said that. There were loads of people who warned that our exclusion from the euro would be damaging to the interests and damaging to jobs in the City of London. That has by no means proved to be the case. In fact, the very opposite has proved to be the case. It was a farsighted thing to do to stay out of the euro. The principal difficulty we have now and one of the reasons people are so cross with Britain is that they can see that intellectually people who oppose a single currency have been vindicated.

Steve O'Connell (AM): On the same theme but on a slightly lighter note, Mr Mayor, I was a very proud, youthful and rather spotty Londoner back in 1975 who voted against the EEC, along with other visionaries like Tony Benn and some others. I tend to think I was proven right as were those colleagues. From your conciliatory comments, I guess you believe otherwise.

Boris Johnson (Mayor of London): You cannot turn back the clock. The EU has brought benefits to people on the continent and in this country as well. What we should do now is be much less ambitious about creating fiscal political union and we should do things that are actually in the interests of people in this city and across the community. Things people really want, like the ability to set up as an optician in another EU country without an incredible amount of bureaucracy to stop you doing it. We want the Services Directive to be agreed. These are simple things that would help British business to take advantage of the single market. That is what we need, rather than endlessly gallivanting off on some crazed chimerical pipedream of fiscal union which will not work, and if it did work would be profoundly politically wrong and damaging. We should complete the single market and allow British businesses to trade more freely across Europe.