

# MAYOR OF LONDON

**Jennette Arnold OBE AM**  
Chair of the London Assembly  
City Hall  
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London SE1 2AA

**Our ref:** MGLA230317-6797

**Date:** 24 MAY 2017

*Aca Jennette,*

I am writing in response to your predecessor's letter of 15 March about the motions agreed at the London Assembly (Plenary) meeting on 8 March. My reply to each motion is set out below.

## **Motion 1 – Uber and Workers' Rights**

I'm passionate about tackling low pay and poor working conditions. Both are central to ensuring London's place as a world leading commercial centre, and as a fair and just city.

Drivers who work in the private hire industry should receive a fair day's pay for a fair day's work and ensuring basic rights for private hire drivers is vital to the provision of a vibrant, high-quality private hire service in London.

I welcome last year's ruling by the Central London Employment Tribunal and the clarity it gives to this area of law is a step in the right direction. The issues raised by the Rt Hon Frank Field are symptomatic of the gig economy as a whole and it's important to go beyond individual companies to tackle the wider issues raised in his report. The Government needs to address these issues on a national level, otherwise they will continue to arise across different sectors with other businesses and ways of working that may emerge in the future across the country.

I'm willing to assist Government in any way I can and I fully support any proposals that will make changes in this important area. I am also exploring what more I can do to protect workers' rights through the powers in my possession.

## **Motion 2 – Dubs Amendment**

I agree that Ministers should collectively hang their heads in shame for their decision to end the Dubs Amendment, which was helping to transform the lives of children caught up in the ongoing humanitarian crisis.

In London, we have a proud history of welcoming and supporting refugees seeking sanctuary and helping them to rebuild their lives. That's why as an MP I voted in favor of the Dubs Amendment, and it's why as Mayor I'm proud to have worked with London councils who have provided support for unaccompanied asylum seeking children, including those that have arrived via the Dubs route. As a country, we cannot shun our responsibility to do our part in helping some of the most vulnerable children in the world. This is bigger than party politics and I have strongly urged the

# MAYOR OF LONDON

As a country, we cannot shun our responsibility to do our part in helping some of the most vulnerable children in the world. This is bigger than party politics and I have strongly urged the Government to reverse its decision and to work with London councils to support our ongoing efforts to help vulnerable children who are in desperate need.

## **Motion 3 – Additional Member System of Proportional Representation**

As I said in my response to Mayoral Question 2017/0294 (Electoral Reform Bill 2016), I agree with the Assembly that the Additional Member System has its advantages: it serves to maintain a direct, area-specific link between Londoners and the Assembly through the 14 Constituency Members; but it also, through the 11 London-wide Members, ensures the Assembly's political balance is more representative of the votes cast by Londoners than would be the case under a pure First Past the Post system.

The Assembly voting system was part of the proposals Londoners voted on in the 1998 GLA Referendum and it's my view that changing it is not top of their current concerns or priorities. In short, I see no compelling reason to change the London Assembly voting system. My answer to MQ 2017/0294 is of course a matter of public record and I would be pleased were the Assembly to cite it in any representations it wished to make to the Minister for the Constitution.

## **Motion 4 – International Women's Day**

It's unacceptable that in 2017 in London, the most progressive city in the world, your gender can still determine how much you get paid and your career prospects. As Mayor, I have vowed do all I can to remove any barriers to women reaching their full potential in the capital.

As a proud feminist, I have worked to redress gender imbalance across the GLA family since taking office. My Deputy Mayors are gender balanced, the TfL board has been reconstituted and it now better reflects the diversity of Londoners, and the Business Advisory Board membership is now 60% female. Furthermore, one of the first things I did when I arrived at City Hall was to undertake a gender pay audit, publish the findings and commit to developing a Gender Pay Action Plan to close the gender pay gap—which is currently out for consultation with staff.

It was my great pleasure to take part in a variety of events and activities centred on International Women's Day; I attended the *March4Women* and I launched the Business in the Community's *Same But Different* photo exhibition in City Hall which focuses on the diversity of women in the workplace. I also attended a breakfast run by the *AllBright Foundation* celebrating the success of women in business.

I would like to assure you that I'm deeply committed to combatting all forms of Violence Against Women and Girls (VAWG) in the capital. The recently launched new Police and Crime Plan for London addresses this issue.

The plan outlines a comprehensive programme of action to prevent these crimes, tackle offending behaviour and support victims. It will provide strategic direction and focus for our work in this area and includes commitments to:

- Refresh London's VAWG Strategy;
- Commission specific work to look beneath reported crime statistics for rape and sexual and domestic violence and abuse;
- Publish detailed data on VAWG in London and compare varying performance across London's Boroughs and our diverse communities to promote improvements and sharing of best practice;



# MAYOR OF LONDON

- Launch a campaign to challenge unacceptable attitudes to women and girls; and
- Implement a whole-school VAWG prevention pilot to tackle unacceptable attitudes and behaviours in early years.

## **Motion 5 – Business Rates**

I share entirely the concerns raised by the Assembly in relation to the impact of the 2017 revaluation which will result in significant increases in business rates bills across the capital. The revaluation will hit many retailers and other businesses that are key to the success of London's economy particularly hard – particularly in parts of inner and central London.

The GLA and London Councils have been lobbying the Government directly and in partnership with key business stakeholders, since the initial valuations and transitional relief scheme proposals were published last September. I have also raised concerns directly with the Chancellor of the Exchequer and the GLA has been active in raising the profile of the impact of the revaluation.

Following a joint response and lobbying campaign from London Government and the business sector to the Government's initial proposals, the Chancellor announced in the Autumn Statement that the transitional relief caps on the maximum real terms increases for larger properties would be reduced marginally in 2017-18 from 45% to 42% and from 50% to 32% in 2018-19. This concession will save London businesses £90m over the next five years.

The Chancellor also announced some limited concessions in the Budget on 8 March including the provision of transitional support for small businesses losing eligibility for small business rate relief, which I and a number of other stakeholders had sought. Many of these businesses benefitting from this have been paying no business rates for the last five years and were facing immediate increases of more than £3,000 in 2017-18 before the Budget – this rise will now be capped at £600 and the scheme will continue for up to five years. We understand this concession will benefit up to 5,000 businesses in London including a number of small retailers. A £1,000 rates discount was also announced for pubs with a rateable value below £100,000 for 2017-18 only.

Due to the General election, the implementation of the pub and small business relief schemes is likely to be delayed as the Government has still to issue the necessary guidance to allow the adjustments to bills to be made by billing authorities.

The Government also announced that London will receive £124m of the proposed £300m discretionary hardship fund over the next four years – 41% of the national total. The GLA is working with London boroughs and the Corporation of London to discuss how the initial £72.5m of funding for 2017-18 might be applied to support those businesses most in need. We would expect boroughs to consult on their proposed relief schemes following the General Election and shortly thereafter apply any credits due to ratepayer bills.

These concessions by the Government – while not going as far I would have liked – would not have been secured without a sustained campaign by London's business community and London Government.

They remain of course a mere drop in the ocean compared to the £1bn plus increase in business rates faced by ratepayers in London as a result of the revaluation. Around 7,500 larger firms in London saw increases in bills of 45% overnight on 1 April. Retailers in Oxford, Regent Street and Bond Street alone saw their collective business rates bills increase by 45% from £160m to almost £235m with immediate effect. Ratepayers will now have received their business rates bills for 2017-18 and there is relatively limited scope at this stage to affect the sums payable by the majority of

# MAYOR OF LONDON

larger businesses. The focus of borough relief schemes is likely to be on supporting small and medium sized firms.

Clearly, at present, neither the GLA nor London Boroughs have the direct ability to affect changes to the system including the revaluation process as business rates policy is a matter for central government. The move towards 100% business rates retention planned by the outgoing Government will allow for greater local responsibility but this will only go part of the way to address the current issues with the NNDR system. This includes the distortionary impact ongoing large relative increases in rental values in London at this and previous revaluations are having on rates bills across the rest of England.

I'm working with London Councils and the Leaders of the 33 local authorities in London, through the Congress of Leaders, to encourage the Government to devolve more responsibility for the administration of business rates to the capital and over the distribution of revenues. The Government also committed alongside the Budget to explore options for delivering this.

The potential reforms would include devolving responsibility for the Valuation Office Agency (VOA) to London government, which would allow the capital to be decoupled from the national revaluation arrangements. This devolution would apply both to the valuation of domestic and non-domestic properties. Such devolved arrangements already operate successfully in Scotland, Wales and Northern Ireland – with Wales implementing full business rates devolution as recently as April 2015. This reform would potentially allow us to avoid a repetition in five years' time of the very large increases in bills which have arisen in London as a result of the 2017 revaluation. It would also provide us with an opportunity to ensure that the VOA locally is adequately resourced to deal with the challenges of managing business rates in the capital moving forward.

A separate London regional office of the VOA, accountable to London government, would also provide greater accountability over the Agency's performance particularly in relation to dealing with backlogs in business rates appeals. There are currently 60,000 outstanding business rates appeals in the capital alone – many of which relate back to April 2010.

More immediately, the GLA will be working with London Councils to deliver a London wide business rates pool which would allow a greater proportion of business rates growth to be retained in London and allow better collective decision making on the distribution of resources and the development of more local growth zones similar to the arrangements in place for the Royal Docks and Battersea/ Nine Elms.

Following the General Election, we will be pushing for the Local Government Finance Bill to be resurrected by the incoming Government to allow for the implementation of 100 per cent retention as planned by no later than April 2019. The principle of 100 per cent retention has cross party support.

I will continue to lobby the Chancellor of the Exchequer and Communities Secretary to secure a fairer deal for London's business ratepayers. The London Assembly also has an important role to play in relation to advancing the case for greater devolution of control over the operation of business rates to the capital so that the scale of increases business in London is facing as a result of the 2017 revaluation is not repeated again.

GLA officers would of course be happy to assist in drafting a submission to the incoming Government setting out the Assembly's views and concerns.



# MAYOR OF LONDON

## **Motion 6 – The Cold Homes Crisis**

Fuel poverty is a significant challenge facing London, which is why I announced the development of a Fuel Poverty Action Plan, due to be published in late spring alongside the London Environment Strategy. Fuel poverty is a complex issue caused by a combination of low incomes, rising energy prices and poor energy efficiency of homes. My Fuel Poverty Action Plan will be addressing these causes of fuel poverty, although some of them are outside my control, particularly incomes and energy prices. However, there are services available to help Londoners with income maximisation, which are important for households struggling to heat their homes or pay their energy bills.

Unfortunately, recent energy price rises have been as a result of the volatility of the wholesale energy market. Large and small suppliers trade on the wholesale market and are therefore impacted by rising wholesale prices and the need to hedge. Many energy suppliers, including smaller ones such as Nottingham Council's Robin Hood Energy, have raised their prices substantially in the past couple of months. It is important that Londoners shop around for the best tariff available to ensure they are not paying more than they need.

As I have previously stated, a detailed external options appraisal on Energy for Londoners is being undertaken. The appraisal is considering the costs, risks and benefits of the options and I expect to make a decision on the preferred approach in late spring, once I have fully considered the scope and recommendations of the experts' report.

## **Motion 7 – Diesel Scrappage Scheme**

I committed to put forward a proposal to Government for a national vehicle scrappage fund and I welcome the Assembly's full support. This fund is essential to help reduce the costs to motorists and businesses of converting to cleaner vehicles. It is only right that the Government provides this help, given that national policy has encouraged the shift to diesel over many years.

My team continue to make the case for effective national incentives that discourage diesel and accelerate the uptake of alternatively fuelled vehicles.

## **Motion 8 – School Funding Cuts**

I submitted a response to the DfE consultation on the National Schools Funding Formula and have also written to the Education Secretary setting out my concerns at the impact the revised formula would have on London's schools. As the proposals stand funding would be reduced in 70% of London's schools resulting in schools in every single one of the capital's 33 local authorities losing funding. This is unacceptable and the government should reconsider the proposed formula to avoid undermining London's reputation as an education leader as well as all that has been achieved in improving London's schools in recent years.

## **Motion 9 – English Language Requirement**

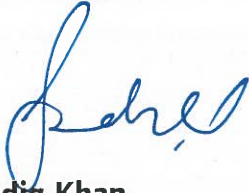
It's essential for public safety and passenger welfare that all licensed private hire drivers are able to communicate in English at an appropriate level. A number of licensing authorities have introduced language requirements for drivers in line with guidance from the Department for Transport. I'm aware that not all of these test reading and writing and the costs to applicants are lower as a consequence.

Drivers must also be able to read, understand and respond to important regulatory, safety and travel information sent by TfL. It's not appropriate to move away from a written test and I welcome the recent court decision confirming that the English language requirement, including the reading and writing elements, is lawful.

# MAYOR OF LONDON

However, I have asked TfL to keep the test under review and to consider whether a test specifically targeted at the role of private hire drivers would be a better approach.

Yours sincerely,



**Sadiq Khan**  
Mayor of London