

Len Duvall AM, Chair of EU Exit Working Group

Sadiq Khan
Mayor of London

(Sent via email)

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Dear Sadiq,

As you will be all too well aware, although the UK has now left the European Union, and some clarity about the future UK-EU relationship is starting to emerge, there are still unanswered questions across a number of critical areas. This uncertainty remains an acute question in London with regards to: the future of its workforce; the outlook for its businesses; and, ultimately, for the resilience of the city post-2020. Although we are now in a status quo transition period, in only a few months' time, London could find itself in a very different position.

Over the past few months, the London Assembly EU Exit Working Group has held three meetings that have focused on the impact of Brexit on the capital, hearing from leaders and experts from organisations representing EU citizens, as well as business, education, financial and legal sectors. What all of their evidence points to is the fact that there are many unanswered questions, and that concerted and sustained lobbying efforts with Government will be required to answer them. We are therefore writing to you to request your assurance and support on that front.

Future for EU structural funds

One of the main areas of concern for London is the impending loss of the UK's access to the £2.4 billion that it receives annually from European Structural and Investment Funds (ESIF), of which London receives approximately €748 million over the duration of the seven-year programme¹. This funding is managed by City Hall and is overseen by the London Economic Action Partnership (LEAP). Combined with the match funding contributions, this funding results in £1.4 billion having been allocated to various programmes in London since 2014.

¹ LEAP, [European Structural Investment Funds](#)

There is very little clarity over the future of this funding stream. Although Government has committed to pick up the funding through the current programme timescales, this is only covering funding until 2023. The Government intends to introduce a replacement programme, the Shared Prosperity Fund (SPF); however, there are still sparse details over how it will operate when it is introduced in April next year. The public consultation on the SPF, originally due in 2018, is now scheduled for this year. We have heard from Simon Pitkeathley, Chair of the London European Structural Investment Funds Committee, that, in a new, national programme (which is what the SPF is intended to be), “the big concern is that we are not a region anymore. [...] If you think about the current political narrative, London is not popular”.²

There is a risk that London will find itself worse off with the SPF. For the sake of the capital’s future prosperity and the availability of support for businesses, we ask that, **if the consultation on the SPF is announced in the near future, you respond, with the cross party support of the Assembly, and ensure that the case for London’s devolution, and continued share of funding commensurate to its contribution to the national economy, is made loud and clear.**

The future outlook for the higher education section

In a similar vein to European Structural Funds, the UK has also historically received a very high proportion of funding from Horizon 2020, the EU’s funding programme that is aimed at encouraging innovation. From the perspective of the business community, we have heard from the Federation of Small Businesses³ that the future outlook for businesses in London depends on the future of funds dedicated to innovation as much as it does on structural funds.

Although there is a guarantee from Government that there will be substitute funding that will last until just about the end of this year, unlike the question of structural funds there is, to date, no indication as to what will replace Horizon 2020 in the long term. The UK, as a whole, is the second highest recipient of Horizon 2020 funding for science and innovation, and we have heard that London universities have received, on average, around £200 million a year over the last few years from the programme to fund research.

Many international challenges – as well as challenges that are specific to London – can only be dealt with through collaboration. It is still unclear as to how, and if, the UK will be able to continue to participate in these programmes. Crucially, in addition to funding, Professor Maguire, former Vice-Chancellor at the University of Greenwich, said that the Horizon 2020 programme “gives us access to the ability to collaborate with the best top talent all around Europe.” **We call on you to lobby for the UK’s participation in Horizon Europe, the next iteration of Horizon 2020. Participation in this programme, whilst coming at a cost to the UK, will bring significant gains in terms of innovation, collaboration and professional exchange.**

² Meeting of the EU Exit Working Group, [5 September 2019](#), p1

³ Meeting of the EU Exit Working Group, [5 September 2019](#), p6

Securing the future of London's health sector

An area where the need to secure the future workforce is perhaps most acute, and is particularly at the front of the public's mind, is the healthcare sector. With the latest developments and issues in global healthcare, now more than ever, there is a need to have a responsive and well-staffed workforce of healthcare professionals.

London is particularly dependent on European workers in London's healthcare sector. EU-born workers make up 10 per cent of the total NHS workforce in London (21,237 of a total of 202,236 workers)⁴, which includes around 7,200 nurses. It is concerning that we have heard from Charlotte Rogers, from the Royal College of Nursing, that "there has been a 90 per cent fall in new registrants since [2016], and we are also seeing a number of already established EU nurses and midwives leaving the workforce".⁵

One of the main areas of concern – across all sectors, but particularly for healthcare – has been around the Government's proposals from last year to introduce a £30,000 salary threshold for immigrants. Although recent reports point to the Government seeking to reduce this threshold to £26,500, the Migration Advisory Committee noted last month that most of the responses to the Government's consultation on the salary threshold pointed to an even lower figure; a salary level of between £20,000 and £21,000 was "frequently" cited as a more desirable level.⁶ Particular concerns were raised by guests of our Working Group who covered the social care sector; Caroline Waterfield, representing NHS Employers, said that "even if we get some adjustment from the Migration Advisory Committee, we do not see that that would help social care employers. Although I am here representing the NHS, [social care] has a significant impact on the whole sector."⁷

Although the Government's revisions to the initial salary threshold are welcome, they do not go far enough to give the security that the whole of the UK, and London in particular, with its reliance on EU workers, needs for the future of its healthcare workforce. **We ask you to lobby Government on lowering the salary threshold to an even lower figure, in order to ensure the future of London's healthcare workforce.**

Ensuring EU citizens are supported with their Settled Status applications

At the most recent meeting of the EU Exit Working Group, we were worried to hear that charities that are helping European nationals go through the application process for the EU Settlement Scheme, such as the East European Resource Centre (EERC) – who provides information, advice and support to people from Central and Eastern Europe – will shortly find themselves without Government to provide this line of support. According to Esther McConnell, Deputy Chief Executive of the EERC, funding for application support will be stopped at the end of March, with no clarity as to whether it will be continued again at a later date. Our guests have expressed their concerns that those who are most vulnerable – particularly "children in care, the elderly, those who are chronically ill or in hospital wards,

⁴ House of Commons Library, [NHS staff from overseas: statistics](#), July 2019

⁵ Meeting of the EU Exit Working Group, [30 October 2019](#), p2

⁶ Migration Advisory Committee, [A Points-Based System and Salary Thresholds for Immigration](#), January 2020

⁷ Meeting of the EU Exit Working Group, [30 October 2019](#), p9

people who are interacting with social workers, the homeless and victims of modern slavery” – will still be in need of significant support, as they are “incredibly marginalised and have a lot of other things to worry about”. However, according to McConnell, funding for application support for these EU nationals to apply is about to disappear, perhaps completely, “at a time when [they] are seeing the most complex and difficult cases coming through.”

We thank you for your outreach work to EU citizens, and have heard that this kind of support is now needed more than ever, particularly for citizens who are harder to reach, such as those who are not on the electoral register, or those for whom English is not their first language. **We ask you to continue your outreach efforts, and to lobby Government to provide further funding to charities supporting the most marginalised European nationals, beyond the current cut-off date of the end of March. We also ask that you work closely with London councils to provide additional support to those who need it most.**

No-deal 2.0

Finally, on the topic of resilience, it cannot be ignored that a no-deal scenario is still very much a possibility, should the UK and the EU fail to strike a deal by the end of this year. **We would therefore be grateful if you could provide us with an update on your own work to maintain preparations in London for a no-deal scenario should it become a live issue again at the end of the year.**

I am sure that you are, much as ourselves, concerned by the reports that some parts of the UK’s economy, that are critical to London, risk being left out of the upcoming trade negotiations. We were alarmed to hear at the last meeting of the Working Group that some services risk being left out of the deal due to constrained timelines for negotiations, and that “from a services perspective, there will be, deal or no-deal, some form of cliff edge as at 31 December [2020] because we have a major change in the trading relationship and that is a discontinuity, which is shortened to ‘cliff-edge 2.0’”.⁸ Considering the importance of the services sector, including financial services, to London’s economy, this is highly alarming – and **we ask you to continue your work to make sure the interests of London’s businesses, including those in the services sector, are being represented with Government and publish details of any action in a programmed way.**

To that end, we would be grateful if you could provide us with notice as to when you will be meeting with Government, and provide us with updates on the discussions in these meetings – in order to give reassurance that the interests of Londoners and London’s businesses, as we enter this critical year of negotiations, are heard and are represented.

For our part, we will continue to monitor the impact of Brexit on London. In March, we will monitor the progress of securing Settled Status for EU citizens, as well as the impact of the future trade deal on London. The Assembly very much looks forward to continuing to work with you on this important agenda.

⁸ Meeting of the EU Exit Working Group, [15 January 2020](#), p4

Yours sincerely

A handwritten signature in black ink, appearing to read 'Len Duvall', is placed over a light grey rectangular background.

Len Duvall AM
Chair of the EU Exit Working Group