EU Exit Group – 15 December 2016

Transcript of Item 3 – Regional Visas

Len Duvall AM (Chair): Can I welcome you to the EU Exit Working Group. The main item of business is item 3, regional visas. This is the first of our evidence gathering and following this session, we will consider further whether we will hold any more sessions in public. We probably will be commenting not just in terms of the visa proposals and so the evidence from our guests will be quite important to us.

We are joined by Julia Onslow-Cole, Head of Global Migration, PricewaterhouseCoopers (PwC), who did some initial work around regional visas; Colin Stanbridge, Chief Executive Officer, London Chamber of Commerce and Industry (LCCI), which has promoted the debate in London, it is fair to say, and wants that debate to be far and wide; Alp Mehmet, Vice Chairman, Migration Watch; as well as Vaughan Jones, Head of Policy and Research from Migration Matters, to give us some views on the background of the visa issues and general issues and matters around migration.

If we can begin then with the first set of questions that we have, we have a set of questions for this because we want to gather evidence, but there may well be some individual questions that Members will have off the cuff in responding to what is being said.

This is a question to all our guests at the moment and so let us begin. What effect would restrictions on free movement of labour have for London and other major cities in the future?

Julia Onslow-Cole (Head of Global Migration, PwC): It is quite clear from all the evidence and certainly from what employers are saying that if they did not have access to European Union (EU) and non-EU talent, it would cause a very serious economic impact to their businesses. At the moment, PwC with London First are doing a very big report which we hope to publish in January 2017. That is looking at all the empirical evidence that we can have across a wide range of data sets to show what this impact will be.

However, it is quite difficult sometimes for employers to comment precisely because employers do not often track exactly who is an EU migrant in their workforce. Percentages in certain sectors of EU workers are very high and generally of EU and non-EU are very high. In some sectors, you will see food manufacturers up to 40% are skilled EU migrants. Across many sectors, if you took the non-EU and EU together, it would be over 50% and in London we have some sectors where they are almost 80%.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): I would echo what Julia said. Migrant workers are vital to the London economy. We commissioned some work from the Centre for Economics & Business Research (Cebr) for our *Permits, Points and Visas* paper that we published a few weeks ago. In overall terms, 25% of the London workforce is born outside the United Kingdom (UK).

Of course, that varies by sector, as Julia said. If you go to the construction sector, with 50,000 houses to build a year - and we hope that we will be able to get at least on the road to that - 36% of the construction sector are foreign workers. We see that not just in terms of the breakdown and I welcome the fact that Julia and London First are doing more work on trying to really get into the data.

We know from talking to our members - because that is exactly what we did almost immediately after the referendum vote - that there are serious problems for many areas, especially small businesses. When we first introduced the points system some years ago, the Government seemed to take the view that it was only big businesses which would suffer from that. Therefore, inter-company transfers, which we fought long and hard for and the Government then granted, it then said, "That solves the problem". Our view was it did not solve the problem.

In talking to smaller companies, we discovered that. For example, in the first of our roundtables after the EU referendum, we had two small engineering companies. They said the problem is that something like 25% of their workforce was EU. He said the reason for that is because when it comes to engineering, the big companies hoover up the domestic talent and it is left to the smaller companies to try and find talent from elsewhere.

We think across the board there is a real problem and it is something that we were pleased to try and start that debate about. As you quite rightly said, Chair, our aim is to have a real debate because if we do not have that debate then London's economy is definitely going to suffer.

Professor Tony Travers (London School of Economics): There is a challenge for the UK economy more generally, but particularly for London and to some extent other city economies. That is that, particularly in London, they have developed an economy in recent decades - and it is not all in the last decade or two - within the rules at the time which substantively depends upon a continuing number of net in-migrants. That is to the point that as of today there would be 5 million people working in London of whom 2 million were born outside the UK. They are not all from the EU of course. I would estimate slightly under half come from outside the EU; slightly over half of that 2 million from outside the EU.

With that group in the workforce, there are two issues here to be disentangled. One is the referendum vote for the UK to leave the EU; the second is the Government's commitment to reduce migration to tens of thousands. These are separate things but they clearly overlap.

If migration were to be reduced to tens of thousands from the current net figure of about 330,000, it implies a reduction in any one year of 75%, in broad orders of magnitude. That would clearly affect London where 40% of the workforce was born overseas as compared with, say, the North East where the percentage is under 5%.

With that in mind, the issue then would be that most of those migrants would stay. Some would go but many of them would stay. The question is: what would happen to the stock over time and the impact that that would have? It seems to me that if there were a substantial reduction in net migration there is a very real chance - and Colin has implied or said this - that the London economy would probably have to shrink and/or it would bring in labour from the rest of the UK.

I doubt whether either of those is the imagined outcome of the policy of reducing migration, partly because London is a major generator of tax revenues, producing 30% of taxes for the UK as a whole. That figure is something that the UK as a whole has an interest in; Treasury certainly does.

Beyond that, if there were a very substantial reduction in net migration, it would clearly affect some sectors more than others. In London, it would affect leisure, hotels particularly; it would affect construction and universities. Where those workers then came from would have an impact across the UK because clearly some would have to move from the rest of the UK to London, presumably among the more mobile people. I do not

think the risk of that having a knock-on effect on the rest of the UK has been discussed at all hitherto. That is a way of framing the discussion.

One final thought is it would be possible to envisage that within the terms of the word "control" of migration - and "control" does not necessarily mean fewer - there would have to be an improved Home Office/Border Agency [Visas and Immigration] control system. As we speak, I am not sure that that system is optimally functioning. As a result, either it improves or the process of getting migrants that the economy needs through the system - whether they are in tier 1, tier 2, tier 3 or tier 4 - risks becoming even more difficult than it has been in the past.

Alp Mehmet (Vice Chairman, Migration Watch): I share the concerns about continuing access to talent that Julia [Onslow-Cole] mentioned. We are going to continue to need the talented and the skills that we do not necessarily have. We at Migration Watch believe that we can have a system which allows us to bring in the sort of talents that we require. Indeed, that would stem the flow of the lower-skilled, lower income-earning individuals who, frankly, contribute very little to the Exchequer.

We should not lose sight of the fact Professor Travers referred to tens of thousands and all of that. The context in London is that London's population is 8.6 million or thereabouts at the moment and is projected to grow to 10 million by 2030. I suspect that is being conservative and, with the way things are going, it may well expand much more quickly than that. That is not something that can be totally ignored. We are going to need housing, services and schools, not necessarily in the first instance with the young people who come here looking for work and settle here. Five years down the road, there will be parts of London, as there are now, that are going to be desperately short of resources to cater for this very quickly increasing population.

I have no problem with having a system which allows us to bring in the sort of people that we need. It is really whether we need a system that is based/focused on regions. A regional visa policy, frankly, is a recipe for disaster. Indeed, I recall that the Liberal Democrats in the 2010 elections were advocating this sort of regional policy. Sir Andrew Stunell [then MP for Hazel Grove] was asked by his party leader to look into migration in 2013 or thereabouts ahead of the 2015 election. He said in one of the fringe meetings at a party conference, I think, "Thank God we did not go down that route". I can say a lot more and no doubt the opportunity will arise in due course.

Vaughan Jones (Head of Policy and Research, Migration Matters): Just to add to what has already been said, the first thing I would want to say is that we know London. London's economy is creative, dynamic and entrepreneurial and that is to a large extent because it is a cosmopolitan city, always has been and hopefully always will be.

Clearly, there is a danger that London will lose its leader status in some key industries. Other cities in Europe are going to be attractive to London's leader status whether it is in information technology (IT), finance or other things. We should not leave out the higher education sector and its importance. We should not also neglect the importance of staffing for public services, particularly the health service, education and so on.

There are areas where the migrant population has contributed enormously to London's economy and ought to do so. It is not just about matching skill sets, a skill shortage here or a skill shortage there. It is allowing that entrepreneurial culture to survive and to continue and the dynamism of London's economy to continue.

In terms of population, we have to face and acknowledge that population is growing and it is growing on a global scale. London's population will grow but so will everybody else's and so will the UK's and so on. We

must be prepared for that. The point that Professor Travers made about people coming to London from other parts of the country to replace that population may help London.

Professor Tony Travers (London School of Economics): Exactly.

Vaughan Jones, Head of Policy and Research, Migration Matters): However, it will have an enormously devastating effect on the rest. If young people leaving school in Blackburn go to university and then the only choice for them is to come to London or from Edinburgh or Glasgow to do the same, then we further imbalance the UK economy, which would be very difficult. That is all I want to say for the moment and, again, there will be more to say.

Gareth Bacon AM (Deputy Chairman): Just an observation while we are in scene-setting mode. Professor Travers linked Brexit with the Conservative Government's immigration pledge in 2015 and I can see exactly why the two are interlinked. The Government's pledge is to reduce net migration to tens of thousands. That is still growth, is it not? It is not everyone going and then there will only be a few thousand people coming back.

I suppose I am challenging your point that London will draw resource from other parts of the country. The figure that you used was 330,000 net migration per year. That is 330,000 new people every year over and above the ones who have moved out. If you reduce that to tens of thousands, it is still tens of thousands more than we have now and so it is not everyone leaving and just tens of thousands coming in. Why necessarily would that mean we draw significant resource away from the rest of the country?

Professor Tony Travers (London School of Economics): These are broad orders of magnitude and it is very hard to predict. These are net figures. There are all sorts of issues whether they are net flows, which is itself a complication. You are absolutely right. The net current figure is around 330,000 a year. I am assuming that tens of thousands - let us just pluck a number inside tens of thousands that is not halfway between nought and 100. Let us go for 80,000, which would be a quarter, roughly, of 330,000. That would take the net number down a year to 80,000. It is true that if every single one of them came to London it would be not far from the net figure for London now, slightly below. That has two further consequences and I absolutely agree with the point that was made at the end. That would mean that the effect if that happened, which is mathematically very unlikely is there would be no migrations going to any other part of the UK. Whether that would be great for the rest of the UK I somehow doubt.

Gareth Bacon AM (Deputy Chairman): It is not quite the point I was making.

Professor Tony Travers (London School of Economics): No, but you see the point I am making.

Gareth Bacon AM (Deputy Chairman): The point I am making is that it is still growth above where we are today, is it not? It is just slowing the rate of growth and instead of growing at the rate that it is at the moment, it would grow at a slower rate. It is still growth; it is not reduction.

Professor Tony Travers (London School of Economics): It would come down to 80,000. I am assuming that the stock would decline over time.

Gareth Bacon AM (Deputy Chairman): That is 80,000 on top.

Professor Tony Travers (London School of Economics): The logic of this is that the stock would decline over time to a smaller number than the current stock. I do not know what the rate of attrition would be; others may know that. I suspect over something like 15 or 20 years the stock would decline, would it not? Mathematically, that must the case.

Gareth Bacon AM (Deputy Chairman): It is my fault; we might be splitting hairs on semantics. The stock is those who are here now and the flow is the people who are coming. If we are looking at net migration, then we are looking at an increase, are we not? We are looking at those over and above those who leave.

Professor Tony Travers (London School of Economics): Yes, absolutely. If it is tens of thousands, it would still be --

Gareth Bacon AM (Deputy Chairman): If the stock declines and net migration is still going up, we are still increasing the number of people physically here, are we not? We are not talking reduction; we are talking about a slower rate of increase.

Professor Tony Travers (London School of Economics): Remember, as we have moved on, even within the 2 million, some of them are now UK citizens and so over time the stock of new migrants would decline. I am assuming that most or all of those who are already here would remain here though over time. If you took it forward 100 years, just for the purposes of the argument, that net stock would have reduced to nought, would it not?

Gareth Bacon AM (Deputy Chairman): Of course, yes, inevitably, but the number of people physically here would still be going up.

Professor Tony Travers (London School of Economics): I am just making the point that the stock would decline and it would be topped up at a slower rate. Over time, the proportion of migrants in the workforce, other things being equal, would decline. That is the point.

Gareth Bacon AM (Deputy Chairman): The number of physical bodies in the country would go up but just at a slower pace.

Professor Tony Travers (London School of Economics): It might. It would depend enormously on what else was going on.

I do not want to take us off on to a different tack, but I was going to say in response to one of the earlier points that the growth in the London population, which is now somehow - and in way I do not fully understand - seen as a problem, is associated with the provision of resources for the redevelopment of property and the improvement of housing. That is at a time within several of the people in this room's working lifetime when the reverse was happening when the population was falling. At that time, there was net emigration from the UK to the rest of the world.

All I would say is I do not think London's housing, schools and the Underground were in a better condition then, than they are now as a result of the benefits that come with growth in the population. We must be careful not to wish away some of the benefits of having a growing population rather than a declining population. In fairness to all concerned, I know that is going slightly further than you want to.

The difference between the points we are making is that I am looking at the stock declining over time and, therefore, there would still be migrants in the UK. There have always been migrants in the UK. There always have, but the stock would decline over time.

Gareth Bacon AM (Deputy Chairman): That is fine. My point was that the number of people would still continue growing, which is a slightly different point.

Professor Tony Travers (London School of Economics): It would but it would grow at a slower rate.

Gareth Bacon AM (Deputy Chairman): Yes, indeed. I think we have agreed. This has all been good fun, but I am taking away from the agenda.

Peter Whittle AM: While we are in the background and context and what-have-you, I just want to ask Professor Travers and Mr Jones. The roughly 330,000 net has been that for about six years now or something like that roughly. Should one take from what you are saying about the benefits and what-have-you in London and generally in Britain that you would say that that is fine?

Professor Tony Travers (London School of Economics): I am not sure it is too high or too low, personally. It is just an artefact of the control system we have and the way it operates. It is simply a product of the border and migration system we have, and we know that within that 330,000 more than half of it is from outside the EU. We all know that. It is the product of the system we have and also of the different labour market conditions inside the UK compared with many other countries. Britain has been relatively successful at generating jobs in recent years' courtesy of LCCI members and other members of business organisations.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): There are others.

Professor Tony Travers (London School of Economics): There are others. The truth is that the combination of the unique system of immigration and border controls we have had in the UK and the UK's relative success in generating jobs compared with many other European countries has led to this particular total of migration. If the economy started shrinking and there were fewer jobs in it, you would find migration would fall.

Peter Whittle AM: Yes, I do not doubt that and I would agree with your analysis totally. You have answered by saying that you do not think it is too high or too low. It just is what it is.

Vaughan Jones (Head of Policy and Research, Migration Matters): Just to talk about numbers in that very broad way is not helpful to the debate. It is a very nuanced and very complex question that is being asked. Some of it is definitely about the nature of the economy and the health of the economy at any given time. Migration will increase if there is employment available and if there are shortages in employment then it will increase. If there is largescale unemployment in the country for whatever reason, then actually migration will go down.

The advantage of EU migration, strangely enough, and the advantage of the freedom of movement, is that people can have the freedom to move and people do not get trapped within particular visa regimes. If you have come from Poland and your family is in Poland and the job market dries up in London but increases in Warsaw, then you have the simple capacity to move backwards and forwards. That then means that the economies work in this quite dynamic way.

In terms of where you observe problems and difficulties, very often those problems and difficulties are not related to the fact of migration. They may be related, say, to a flexible labour market. They may be related to low wages, which is a product of low productivity, which could be linked to the fact that people do not get to work because their trains are not running and so on. There are lots of dynamic factors which indicate why some problems may arise that are not necessarily the problem of migration but they are problems of managing an overall economy.

Professor Tony Travers (London School of Economics): Indeed, the decline in the value of sterling will reduce migration almost certainly. As sterling declines and money is worth less in the UK than it will be outside, it would also contribute. If sterling rose again in future, that would have the opposite effect. In a sense, none of us wakes up, I hope, in the morning thinking, "Oh, 330,000. That is the number we want". It is the product of the system we have.

Peter Whittle AM: You have both answered it. If it were to be 500,000 or 600,000 or 200,000, then your views would still be the same. Is that right to say?

Professor Tony Travers (London School of Economics): If it were 500,000 or if the London number were significantly higher, given we are talking about London, and the system of Government could capture the economic benefit from that and reinvest it in the city and London was a growing and successful place, and we had more money for the Underground, more money for schools, more money for housing, yes, I would think that was a fine number. The problem, in fairness to all concerned, whatever your view on the subject, is that it is not as easy as it should be to capture through the tax system the benefits of growth that accrue to those places where the growth in net population possibly enhanced by migration takes place. We can all agree on that on another day.

Alp Mehmet (Vice Chairman, Migration Watch): Only just to come back on one particular point with respect to migration declining in the event of the economy declining. All I would say is that that perhaps ignores the disparities between earning levels in this country, earning levels in some EU countries at the moment, many countries in Africa/Asia.

In my experience having worked in Romania and Nigeria and having had dealings with the Asian subcontinent, people do not think, "My earning level has suddenly potentially declined in the UK". That does not even enter into it. The reason for migrating to a country like this from a poor country is for a better life and that is perfectly understandable. My parents did that and brought me here as a child in the mid-1950s. I can understand that, but what we are talking about is the scale at which it is happening at the moment. We should not be in any way afraid to say that it would actually be a good thing to bring the scale down and have all the skills that we need and, indeed, add to our population in the way that Mr Bacon suggested continue. The scale of population increase at the moment as a result of migration is the fastest is has been for getting on for 100 years. That is what I would question.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): Can I just say? In the simplest terms, if you look at the economy and what the needs of the economy are, we are in a time of employment levels at some of their highest and still we are not hearing from our members, whether you like it or not, that they need that level of people coming in to fill those jobs. If you talk to Mike Brown, Commissioner at Transport for London (TfL), I am sure he would say exactly the same; that TfL would have a serious problem, as would the National Health Service (NHS) in London, if there were not that level. There is a level that it fills up to, as Tony was alluding to. I am not an expert on statistics or immigration policy or any of those things. What I am a bit of an expert on is talking to all sizes of businesses and they tell me that they

need those levels of migrant workers. It strikes me that we have to have that debate about "If we do not have those levels, what is the effect of that on the London economy and therefore the UK economy?"

Professor Tony Travers (London School of Economics): Just from a matter of history and Alp then has mentioned history, it is fair that the beginnings of contemporary, significant levels of migration to London as opposed to those that were historically present because London was a trading city and the docks, come in the late 1940s and in the 1950s when London Transport, as it then was, and the NHS and Government policy was to bring migrants in from the Caribbean and from South Asia precisely to fill in labour shortages. That is why it happened so there is an historical precedent for this.

This was before the period I was referring to when London's population dropped very, very fast which was later really in the 1960s and 1970s when especially inner London emptied out. At that point, some of us will remember it was easier in some ways to buy a house clearly than it is now, cheaper to buy a house. However, if you look at the overall condition of the city and its services, it was self-evidently not as good as it is today. Delivering services in a city - and I know nobody is saying there is going to be a declining population and so I am not creating an Aunt Sally here - but the truth is rising populations on balance are better for cities, in my view, than flat or falling populations. I know that is complicated but we have to be careful not to wish for decline by accident. I know nobody is doing that but just to put it out there.

Vaughan Jones (Head of Policy and Research, Migration Matters): Just a note of caution in relationship to the numbers question as well. If we have a situation where immigration is very, very strictly controlled and there is a huge demand for labour in the city, then actually that demand for labour will be met but it will be met by a clandestine population who are likely to be very badly exploited in the process. That is a recipe for disaster for a city like London. It is far better to have regular, controlled migration into a flow into employment opportunities rather than employment opportunities being there and people having to find a way through into those jobs and employers having to turn blind eyes and things. Just keeping the legality of things is actually crucial.

Alp Mehmet (Vice Chairman, Migration Watch): I agree with that.

Gareth Bacon AM (Deputy Chairman): Can I just get that point out? I just want to understand your thinking there. You said that the demand would be met by a clandestine population who would be badly exploited. I am not arguing with you but I am just asking you to justify how that follows.

Vaughan Jones (Head of Policy and Research, Migration Matters): Where irregular migration occurs, it occurs where people see opportunities or have to take opportunities for their survival but do not have access to the regular status. If immigration is heavily controlled and there is very limited access, then the likelihood is that a clandestine population will grow and that actually would then have a detrimental effect on communities.

Gareth Bacon AM (Deputy Chairman): What we would be talking about in that instance so that we are clear is illegal immigration and it would inevitably be people who can be paid in cash, so probably lower skilled workers.

Vaughan Jones (Head of Policy and Research, Migration Matters): Yes.

Gareth Bacon AM (Deputy Chairman): That is fine.

Len Duvall AM (Chair): Let us turn to the future and alternative options and just go through all the options that are open to us in a scenario in an uncertain world where we are. We have the London visa in its many forms and maybe if we just tease out what those are. A version of is that regional or is that national? What are we talking? London is not an island. We know and we have been talking to our colleagues in Scotland, that they on a different level are facing some of the issues around uncertainty about what happens when we leave the EU. If we just quickly go through those options and just very quickly just tease out the various options that we think are to make sure that we have them all on the table as we proceed with this conversation.

Julia Onslow-Cole (Head of Global Migration, PwC): PwC was commissioned by the City of London Corporation to do some thought leadership on what it would look like to have a regional visa scheme. I just wanted to say at the outset that with thought leadership, we explained to the Home Office before we published the report what we were doing. Broadly, the idea of thought leadership was welcomed in the sense that there is a very difficult debate going on at the moment about migration. It is very important that we have reports like the one we did and the report which Colin [Stanbridge] did because they are thought leadership and they are just good ideas and people can have a sensible and informed debate around those ideas.

Neither Colin nor I is here today to say this is the absolute blueprint of exactly what we should do going forward. It is useful to just debate different ideas and see perhaps in comparison what other countries are doing to put forward to the Home Office and to the Government ideas that we can implement post-Brexit.

For the one that we wrote for the City of London Corporation, the idea was that we were looking at a truly regional visa. The regional visa would only be for a small percentage of the overall migrant population. It would be for where there is skills deficit. There are still lots of migrants that come to the UK that are not here to fill skill shortages. A lot of companies use migration to give people cycles of experience from their overseas companies when they come here. For example, banks might bring someone over from New York for six months or so and then they go back again. The idea of the regional visa is not for the sorts of cycles of experience. It is for where there is a genuine deficit.

We came up with two models. The first model is where a business would go to a local authority in that region and the local authority would then approve the regional visa. The second model would be that the employer would go to the Home Office which you used to have different sector-based groups that had specialist knowledge of different sectors and so they would administer the visa system.

I suppose the idea behind it is that it would help integration because local people would understand that actually they would be able to see more clearly the migrants in their area and the need. For example, if you were living in Sunderland right next to the car plant, you could understand perhaps more fully why there was a skills deficit in that area and if you felt more in control of the whole visa process system, it would encourage integration.

Also, Amber Rudd [Home Secretary] announced at the Conservative Party Conference that there would be a controlling migrant fund and that would be a fund set up to give to communities where there was an impact of migration. We were thinking that if there was a regional visa system, it would be easier to show the local impacts.

I suppose looking at the downside of this for employers, PwC has tested out this with a number of our clients and some have been very positive about it. I suppose the downside is the extra administration that would go with this, not just for the employers but also for the local authorities, etc.

If you wanted to look at how this is played out in Australia and Canada, both Australia and Canada have very good regional visa systems. We looked at that when we were writing our report. One of the difficulties both Australia and Canada have is keeping those migrants within those regions. For example, you may get a visa in Australia to go to quite a remote visa and it is very difficult under their current system to stop people just moving to Sydney. They have amended their rules to make that more difficult and we were suggesting that we should make it very clear that for a regional system, the person would have to work regionally. If they wanted to work in another region, they would have to go through the whole process again. Also, we felt that you could, for example, tie it into the checks on landlords and renting; that they had to be living in that region or buy a house in the region.

Generally, in Canada and Australia, this has been the most difficult thing that they have experienced in their systems about what happens if people then leave that region. We have had our Fresh Talent - Working in Scotland Scheme and that was something that the UK Government brought in for Scotland. It is not as if it is an untested idea.

Then the last thing to say is that PwC has a devolution team and that team is a team of experts that look at all the devolution measures and ensure that they would encourage growth in the region. When we were writing our report, we had someone from the PwC devolution team inputting.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): We probably kicked this off with our thoughts and, as I said before, it came actually not from the referendum but from some seminars that Tony organised at the time of the points system being introduced where I got very exercised that Scotland had a huge list of protected categories and London did not seem to have any at all. It seemed to be odd compared to the size of the economies and London and things.

When the referendum happened and we discovered fairly quickly from our members that their major concern, their first concern - I am sure there have been a number of concerns going forward - was about access to talent. Then we decided to try and look at that. Our aim has always been to start the debate and come up, hopefully in our paper, with some ideas that will fuel that debate. We believe unless we have debate, then we are going to sleepwalk into a real problem for the capital.

The first thing we said of course was we would not start from here. We accept that we can sit here and pick holes, as Julia and I were discussing earlier, in all our ideas and I have picked holes in lots of the ideas that we have put forward. Actually, London voted 60:40. If 52:48 is a comprehensive majority, then with 60:40 - it is pretty certain what the people of London thought about leaving the EU and therefore, hopefully, by reference, about EU workers and migrant workers.

We came up with a number of recommendations in this paper, the first of which is to tackle the immediate because what we get anecdotally from our members is that they are very worried that their EU workers will start voting with their feet on the basis that they are going to be treated - and I think this is outrageous by the Government - as chips in a poker game. If I were a chip in a poker game, I might say, "Bugger that for a game of soldiers. I'm off". That is obviously what a number of our members want to avoid.

We have used the magic word "visa" in the first instance to call it the "London work visa", which would grant indefinite leave to remain to those people. Pick a date. It could be the date of the referendum. It could be the date of the triggering of Article 50. They should be allowed to stay as soon as they are in work and behaving as legal citizens.

We believe the Government should consider a targeted migration area for the London region with the UK immigration system to manage to suit London's significant skills and Labour requirements. We also believe the Government should be talking to the Migration Advisory Committee - the point I made earlier - about a shortage occupation list for London. We should have a shortage occupation list for London and it should be quite a long list that would perhaps allow a system within the original system that we already have for non-EU to manage and attack the problems that might be caused by leaving the EU and what happens to those migrant workers.

Going on, we also have suggested the Mayor of London should explore the potential for a dedicated capital work permit system. It is interesting that when he starts using the word "visa", as the [City of London] Corporation did, they call it a "mad idea". If he starts talking about "work permits", they say, "Yes, we can see that there is something in that". We have decided on that to call it a "capital work permit" system to provide and control access to future migrant workers and meet the need for skilled labourers.

Also, we are saying that maybe, to allay fears about the sorts of people who are being granted access, we might want to have a work permit sponsorship body for the London region. Just as now, I believe, in arts organisations you can sponsor pianists, violinists or whatever it is, why not use the various bodies like ours, the Confederation of British Industry (CBI) or whatever it is, to give some satisfaction that there are controls?

We have a number there, as I said, all of which we could spend quite a lot of time picking holes in. As an organisation that spends its time trying to get rid of bureaucracy, you can imagine that we are wary about trying to promote systems that we absolutely know will cause large amounts of bureaucracy. However, the problem, in our view, is so serious that that would be a minor irritation compared to losing the effect of migrant workers.

I will just make one other point about it. As Chief Executive of the LCCI, I speak from an economic point of view. I speak about the economic health of the capital. As a London citizen, I speak about it from the view that this is the city I enjoy. When I arrived in London as a migrant worker in 1972 I loved living in London, but London is an infinitely better place now to live in and part of that is because of the influence of migrant workers. I am not one of those people who gets annoyed when they hear on the Tube or the bus as they go to work loads of foreign voices. I regard that as a successful city. It is ironic that four years ago all of us were lauding to the heavens that every single team that came to the Olympics would have its own domestic - as it were - support system and that this was a huge benefit to London, but somehow now this is a problem. I believe it is not a problem. I believe that having a city that represents such diversity is enormous.

One small advantage that has happened: when I arrived in 1972, you could hardly find a decent restaurant and now - thanks to, I would argue, immigration and migrant workers - we have the best cuisine in the world. That is not necessarily the most important of those things, but I am sure, Peter [Whittle AM], you like going to decent restaurants with world cuisine.

Peter Whittle AM: I certainly do. I suspect that your remarks were aimed at my Party -

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): Not necessarily, no.

Peter Whittle AM: I think they were and that is fine. Of course, I am a Londoner born and bred and to say that London is not a great city is obviously ridiculous. It is a wonderful city. To say that it is better to live in now is possibly the case for a number of people, but certainly not for millions of people who can no longer

even afford to be here. That is another argument for another time, but we should not start to be complacent. We are talking purely economically about the needs of business and that says a lot in itself.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): Can I just make a point about that? You are absolutely right. We are talking --

Peter Whittle AM: Sir, you have spread the argument out.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): I apologise for going off. However, we did some work six or seven years ago with Europe Economics on the upcoming cities, not Paris or New York that were going to challenge, but Moscow and Dubai and that sort of thing. It was very interesting that Europe Economics - whose Chief Economist, of course, was one of the leading Brexiteers, as you know - came up with all the economic arguments about what we needed to do to survive as a city. However, actually, as we went forward we discovered that it was the softer side: it was the parks, it was the people, it was the schools. It was all those other things that make the economy a magnet for people wanting to set up. I said it as a joke about the cuisine, but I would not underestimate that soft power to cower the economy and --

Len Duvall AM (Chair): I want to get back on to the alternatives and the propositions that could be available to us in terms of the potential. I think we all agree that we are facing this vacuum of the unknown. What could actually help or stabilise us in those circumstances around the economy?

Professor Tony Travers (London School of Economics): The first thing we can rely on is the enormous creativity of British bureaucracy. We all attack British bureaucracy, of course. We all think that there is too much of it and we do. The truth is that we live in a country with general good government which is trustworthy and capable of solving extraordinarily complex solutions. The idea that they could not somehow manage a regional visa system or something is for the birds. Of course they could. By the way, I watched David Davies [Secretary of State for Exiting the European Union] - I played it back on Parliament TV - talking about the issue of Northern Ireland yesterday. Northern Ireland and the Republic of Ireland are going to have an open border and he is committed to that. That means that a country that is in the EU and a country that is not in the EU are going to have an unpoliced open border with a common travel area and a common working area, I guess. With that in mind, if that can be organised, arranging a visa system for London cannot be beyond the wit of good civil servants and people of goodwill more generally. I will just leave that idea on the table: if Northern Ireland can be done, then arranging some kind of London visa can be handled.

Secondly, there are parts of the British Isles that are not in the UK and are not in the EU today: Jersey, Guernsey and the Isle of Man. We have free travel; you do not need a passport to travel backwards and forwards to them. We have somehow lived with that for years. That is the second thing: that has been managed as well.

Thirdly - and this is definitely not a good point and it builds on something Colin [Stanbridge] has just said - although personally I think it is not a good way of doing things, the truth is that the Government has to some extent privatised the control of the borders already to businesses, landlords and the NHS, which are now required to check people's status for all sorts of reason as a result of the fact that no other better way has been found of checking people's status. Again, if there were to be some kind of visa system, I am not saying this is a great way of doing it, but it is the idea that there are ways of empowering private and public organisations to be sure the people they are dealing with are legally resident or legally operating out of the place they say they are operating out of. In a sense, we have started to go down that route already within the

current system and that is not a great way of doing it, by the way, but we are where we are, as somebody once said.

If you just add those three things together - and I completely agree that you could pick holes in any system; you could pick holes in anything, even the systems we have - the truth is that if the Government set its mind to deliver a system of this kind, it could deliver it.

Len Duvall AM (Chair): Alp, you were suggesting earlier on that you had a particular issue about regional issues, but you accepted that there may well be an issue around talent and recruitment; senior talent, I presume. Do you know what I mean? Do you want to flesh that out further? Paint me a picture of what you think that looks like.

Alp Mehmet (Vice Chairman, Migration Watch): I am very happy to do that. What I will also offer, if I may, is a paper that we brought out on 7 December [2016], *A Tailored Immigration System for EEA Citizens after Brexit*.

Len Duvall AM (Chair): We have copies of it. They have been placed around the tables.

Alp Mehmet (Vice Chairman, Migration Watch): I am delighted.

Gareth Bacon AM (Deputy Chairman): We had that about an hour ago. You might need to summarise it for us.

Len Duvall AM (Chair): Yes, please summarise it.

Alp Mehmet (Vice Chairman, Migration Watch): In a way, first of all, we start with the premise that much of what we are doing at the moment will continue. There will be no restrictions on tourists or on students coming here. However, many genuine students want to come here, they will be very welcome. The self-sufficient, of course, will come here. People will come here to marry and all of that. Let us move away from the idea that somehow having controls in a way prevents or stops all immigration. That is daft. No one has ever suggested that and certainly not us.

With regard to work and talent, there are existing schemes for attracting the highly skilled and the talented. Non-EU nationals coming here have come with work permits if they are coming here to work or they have gone into the intracompany transfer system. There is absolutely no reason why all of that does not continue. All we do with regard to the EU is that we fold them into the existing system, which actually works quite well.

I know that everyone will be able to say, "Yes, but I know on that particular occasion there was someone who waited 100 days before they even got an answer from the Home Office". That is really the clunkiness of the system. That is what needs to be addressed, not the fact that the system itself is not the sort that we need.

The reason I have such an aversion to a regional policy - apart from the fact that you are fragmenting what is national policy - is that it does not work wherever it has been tried. I would argue, in Canada and Australia it may sort of work, but let us just bear in mind that Canada and Australia are huge countries with populations that are a fraction, really, of ours and so you are really talking about totally different animals.

We can have a system in place, as no doubt Tony Travers has taught a lot of the civil servants who are there coming up with policy and ways of administering policy at the moment. I agree that it is not beyond our civil

service to come up with methods of administering a policy that is already there but will bring in those from the EU as well.

I do not mean to digress, but my father had a restaurant in Soho for many years and then he moved to the City. He was an ethnic Mediterranean. I cringe a little when people say that the food in this country - thank God for ethnics - and our diet is now better than it used to be. Maybe, but that is not reason enough to allow for mass migration in the way that we are experiencing at the moment. It is a relatively new phenomenon. That is what needs to be addressed.

Certainly, if we do not have controls over those coming in from the EU once we leave, we see something like 150,000 or 155,000 a year regularly every year coming in and joining our population without us being able to do anything about it. It is that scale that, again, I say needs to be addressed. A tailored work permit system, which we already have, that brings in EU nationals as well will work perfectly well, in my humble opinion.

Len Duvall AM (Chair): On a national level?

Alp Mehmet (Vice Chairman, Migration Watch): On a national level.

Len Duvall AM (Chair): On a national level. Let me just quote you there. With shortage sectors, looking at that. You think that could be operated at a national level and that --

Alp Mehmet (Vice Chairman, Migration Watch): Yes, I see no problem in a shortage occupation list being, if needs be, expanded to what we need --

Len Duvall AM (Chair): Would you expect, in terms of it running at a national level, it could be on a regional basis? It would have to be, would it not? Do you see that in terms of managing the system?

Alp Mehmet (Vice Chairman, Migration Watch): If you have - I do not know - Dartford employers being able to recruit individuals in a way that Bexley cannot or that Pinner can but Borehamwood cannot, it is just an unnecessary fragmentation of policy. What I am saying is that a tailored work permit system would allow us to bring in the people we need but maintain a measure of control that we do not have at the moment.

Professor Tony Travers (London School of Economics): I understand the argument, but any system that discriminated between high-skilled and low-skilled workers would have that effect by sector. That argument would mean you could not have a difference by sector because it would discriminate between sectors. Some sectors have far more lower-skilled workers, many of whom may be in growing new sectors, by the way, and they will be low-paid because they are new sectors. We have to be careful when saying that we cannot draw lines in some places but we can in others. Either we can draw lines or we cannot draw lines. Sophisticated democracies are quite good at drawing lines when they need to. Sorry to interrupt.

Alp Mehmet (Vice Chairman, Migration Watch): Not at all. The Chinese use a system and even with all the machinery at their disposal, they have difficulties in regionalising movements within the country. That is not the sort of system that I would argue this country would be comfortable with.

If we are talking about making sure that London has all the talent, the skills and the workforce that it needs, having a work permit system that takes in a shortage occupation list in some way would be perfectly workable and acceptable to most people.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): Can I just make one point about that? In our paper you will see that we estimate - and I think they are the Cebr figures on this - that if you were to extend the current tier-2 visa system to EU nationals, by 2020 London could lose up to 160,000 migrant workers. If you just say, "We have the present system and we will just use the present system", we believe that this could have a really serious effect even now.

Could I just also say? It is very easy to talk about the high-skilled and the people who invented graphene come into it, but what we need is across-the-board labour. Let us be clear. We have to grasp the fact that we are not just talking about highly skilled financial analysts. We are talking about people who clean our hospitals, clean our schools and keep this city going in a way that somehow, for whatever reason, we are not able to do at the moment in a time of high employment.

Alp Mehmet (Vice Chairman, Migration Watch): If I may, I started off by saying about our population growth, "Well, what is going on?" Population growth is not a bad thing and we readily accept that. Steady, reasonable, manageable population growth is actually welcome and is a good thing. It is simply the scale.

For those coming here to work, be they skilled or unskilled, if you are saying to people that it does not matter really what they can offer and that the door is open for them to come in and to take work and you regulate them only by the way the economy is functioning and the success rate of the economy so that we draw in fewer people if our economy is not functioning as successfully as it is at the moment, that is a pretty --

Julia Onslow–Cole (Head of Global Migration, PwC): Sorry, are you saying that that is how we described how the regional visas would work?

Alp Mehmet (Vice Chairman, Migration Watch): No, I was --

Julia Onslow–Cole (Head of Global Migration, PricewaterhouseCoopers): We were saying very clearly that employers would have to show there is a resident labour market need. In our report, we said that they would have to do a very strict paper to deal with every application and that there was absolutely --

Alp Mehmet (Vice Chairman, Migration Watch): I saw that and I accept that. All I am saying is that that is so hugely complex that it just would not work. Not only is it hugely more complex than what we have in place at the moment --

Julia Onslow–Cole (Head of Global Migration, PwC): It is not.

Alp Mehmet (Vice Chairman, Migration Watch): -- it just would not have the results --

Len Duvall AM (Chair): You will have a chance to come back. Thank you for that.

Vaughan Jones (Head of Policy and Research, Migration Matters): When we look at the figure of the "tens of thousands", which the Government has, it was not a figure that was based on evidence of need for migration; it was - let us be honest - political expediency and it was included in its manifesto to appeal to the public for votes.

The advantage of this proposal is not so much with the specific proposal of the visa for London, but the regionalisation of migration policy, which makes a huge amount of sense. It is the general principle that we devolve not to small local authorities but to regional authorities - or to national governments like in Scotland

and Wales - the need to create the evidence for the migration need within the context of its economic development and its economic policy and require the regional authorities then to plan not just for the inward migration that it needs but also the resources that are needed to support that. That as a principle of managing migration makes an awful lot more sense than making it a national policy because there are huge regional variations between Scotland, Sunderland, South Wales and London and we should acknowledge those.

To me, it would really help at this stage because, regardless of Brexit, there is a fundamental policy principle here that would make a huge amount of sense. If we rest it on that, then we would need to factor in whether it is low-paid, high-paid, skills, sectors and so on, but that would have to come into a general plan that the regional authorities have created. It would really work.

Julia Onslow–Cole (Head of Global Migration, PwC): I want to make one very quick point. With all due respect, as an immigration lawyer for 20-odd years, probably a lot longer than that it is an incredibly complicated system. It is really, as Tony [Travers] said, not very difficult at all for the civil service to administer it or to set it up and, also, you could take the fact that you are putting in a new system to address some of the anomalies of the existing system. One of those is the resident labour market test. The public would generally feel happier if there was a more robust labour market test and if they felt that the shortages and skills deficits had had thorough research in their own area and nationally. We could envisage a situation where in fact we could do a more meaningful and robust test of the shortage and, actually, it could be less administratively burdensome. That is not a reason not to look further into the system.

Fiona Twycross AM: I have a few questions but I will try to keep it as short as possible.

The point about students came up. What struck me was that it felt like the discussion about London visas or regional visas is almost treating students like a separate entity. At the Economy Committee earlier in the week, we heard that one-in-five tech start-ups are formed by EU students. I think it was EU students. It was definitely students who were not born in the UK and who were staying on afterwards. My concern is that if we treat students as an entirely separate entity to the working population, we will be losing the ability to capture for our economy some of these innovators of the future. That was just to put that out there and see what people were thinking about how students would fit into it.

The other one was on administration. Accepting Tony's [Travers] point that the civil service is uniquely able to come up with good solutions to complex problems - even this one - would the only way it would be possible to administer a regional work visa be to have identity (ID) cards, for example? Would it inevitably lead to something that the general population has traditionally found not to be something that they find acceptable?

Then there was just a point of information about Australia for Julia as to whether people are expected to live in the area for which they have a permit to work. It was about residency and whether they are expected to live in the same state. That would indicate that it might be easier to administer something like this for Scotland, whereas in London it is less obvious where people would live and work. I know we are coming on to housing later. Is there is normally a requirement that people would then in the area in which they work?

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): From our point of view, just on your point about ID cards, you could, for example, use National Insurance numbers. Surely there could be some indicator in your National Insurance number like, for a London visa, "LV" or something at the end of it. It does not necessarily mean that. Every employer would need to know the National Insurance number and, therefore, it would be obvious when that was [the case].

We had a lot of debate about what would happen. If you had a London visa or a London work permit, would it mean that if you wanted to go and sell something in Birmingham, you would not be allowed across the M25? Of course not. From our point of view, it would be quite simple. We would just say, "Your work base would have to be London". That is the way we would get past it. I am not saying it is fool-proof but it strikes me as a very simple way of saying, "If you are based in London you are based in London, but that does not stop you giving a lecture or giving a presentation in Newcastle or wherever, frankly".

Julia Onslow–Cole (Head of Global Migration, PwC): That is a really good point you made about ID cards, but there is a wider issue here. It is going to be very difficult for the Government to go forward post-Brexit without some form of ID card. It is going to be extremely difficult to manage the whole system. It is a really good point you made, but it goes much wider than the debate we are having here. We could not possibly control, for example, EU visitors coming to visit the UK. There will have to be some sort of ID card system.

Professor Tony Travers (London School of Economics): I was just going to say that although I was always very much agnostic about ID cards, I too can see how, as Julia said, there are a number of consequences of the UK's decision to leave the EU that might push in the direction of a renewed look at ID cards. I can just see that it would solve a number of potential problems.

On a related issue - and I do not want to make a trivial point - of course London does operate a residence-based scheme for something already, which is concessionary fares. We have managed to identify that people in Borehamwood do not qualify for concessionary fares, intriguingly, and people who live in Harrow do. I know that it is not quite the same, but it is easy to imagine that we cannot draw lines; yet, miraculously, I doubt there are many people living outside London wrongly paying concessionary fares. The auditors would have found that out. Most people inside London surely do discover that they deserve them. We must not pretend that these things are a bit more complicated than they are.

I do not want to sound like a special pleading. Julia, do you want to do students? Otherwise, I will just sound like a special pleading. I can.

Julia Onslow–Cole (Head of Global Migration, PwC): Again, Fiona [Twycross AM], your point is really good about students. In a way, there almost should be a separate debate about students because they are so important to the economy of London.

We did a PwC and London First report, which I do not know if you have seen, on the economic value of students. Our report asked that they be taken out of that net migration target. It also goes to what Colin [Stanbridge] about looking very much at the benefits of soft skills. They are areas of such high value to the economy. It is very difficult, as you say, to include them in this debate.

Remember that when we were looking at the regional visa report, it was to do with deficit skills. Of course you are right that students who have just graduated come into that, but then there is this much wider issue of how we protect London's student --

Vaughan Jones (Head of Policy and Research, Migration Matters): Under your scheme, Julia, if a student studied here and reached the end of their course and wanted to work here or to be entrepreneurial here, then they could presumably apply for a London visa.

Julia Onslow–Cole (Head of Global Migration, PwC): We did not look at that specific point, Vaughan. We were just looking at short-term and long-term skills deficits. We presumed that, as we have now, lots of different pockets of visa applications and that particular person would probably come in under a category outside of this.

Just quickly on your point about Australia, in Australia they have the idea that you promise that you are going to live in a region for two years, but that has not in the past been so heavily policed. Now what they are doing in Australia is saying, "You have made a false or misleading statement because in fact you have not lived there", or in some cases, "We are terminating your visa if you have not lived there". It is difficult because some of the places are quite remote and, if you have dependants, they will want to come back to the city.

Fiona Twycross AM: Thank you.

Peter Whittle AM: I just want to ask Julia and Colin [Stanbridge] about both of your reports. You have already touched on it, but to what extent did you speak to other national governments about their experiences when you did your reports and also, for that matter, people outside of London but in the UK? To what extent did you go outside to find out what outside would feel about the London work permit? Could I start with you, Julia?

Julia Onslow–Cole (Head of Global Migration, PwC): We spoke to our colleagues in Scotland. We did not have a roundtable in Scotland specifically on this issue, but we have had roundtables just generally on migration and we have spoken to businesses in the regions.

Peter Whittle AM: What was their general response?

Julia Onslow–Cole (Head of Global Migration, PwC): The general response certainly from Scotland was very pro the idea of regional visas. They liked the experience of the Fresh Talent Working [in Scotland] Scheme. Also, of course, Scotland is in a unique position because it has a massive skills deficit, it has an aging population and it really needs migration. They felt that devolution of powers on immigration would really help Scotland.

Just after our report was released Nicola Sturgeon [First Minister of Scotland] went to see the Prime Minister and I know that one of the things they were talking about was the fact that she supported a regional visa system. I am not saying that she went in waving our report, but it was generally thought of as a good thing for Scotland.

As I said, we floated it past a number of businesses and, generally, they have been quite receptive to it, but all businesses are concerned about the idea of a new system, getting to know new administrative rules. To be fair, open and honest, businesses said that to us. Unfortunately, there will be a radically new migration system for businesses to get to grips with whatever happens. I suppose it will be one factor that all businesses are going to have to consider post us leaving the EU.

Peter Whittle AM: Did you speak to any local authorities? You mentioned businesses in Scotland.

Julia Onslow–Cole (Head of Global Migration, PwC): Yes.

Peter Whittle AM: We saw Scotland recently down here. They came and visited us and discussed this whole thing.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): Ours was based on work with our members in London. As the LCCI, we restricted our polling and our roundtables to London businesses. Anecdotally, of course, this has been discussed. We are part of a chain of chambers of commerce across the country and a network of chambers across the country. We find from the big cities like Manchester and from places like East Anglia and Kent a worry from their members that there will be shortages in labour that are vitally important to those particular industries.

Peter Whittle AM: Did they express views about a London visa? Let us call it that for the time being.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): No one has come to me and said, "It is outrageous that you have come up with the idea of a London visa".

Peter Whittle AM: Do you know that there is this ongoing problem about London-centrism at the moment?

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): We do, indeed. We are the LCCI and, therefore, our aim is to make sure that we do all we can - as I suspect the Greater London Authority (GLA) would do - to promote London and the problems of London. We do not want to create a system that is going to upset the rest of the country. As part of a network, we have to try to tailor some of our views to make sure that we are not contradicting. However, for example, when the Lyons report [Sir Michael Lyons, *Well Placed to Deliver? Shaping the Pattern of Government Service - Independent Review of Public Sector Relocation*, 2004] came out, we were very comprehensively at odds with every other single chamber of commerce in the country by saying that we did not think the Lyons report on moving civil servants out of London was a terribly good idea. We did not believe that it was right for London. We are not afraid to stand up and say, "We are fighting and batting for London".

Peter Whittle AM: Of course. I just wondered what your own views were. There is a general problem at the moment, surely, that London is increasingly seen as somehow overbearing and culturally, if you like, greedy and all of these things. I just wonder. Do you think there is any possibility of a gradual balkanisation happening with systems such as this? By making London as a special case from the rest of the country - Scotland I understand and Scotland, as you said, is a special case, but by making London so special - do you think that that would increase its separateness from the rest of the country?

Professor Tony Travers (London School of Economics): The UK as a unitary state undoubtedly in the last 20 years has had some of the characteristics of a federal state. Scotland, Wales and Northern Ireland in particular now operate with their own assemblies making their own laws in a way that gives the UK as a whole remaining as a single state, which I personally favour, but with elements of a federal state.

London is the nearest thing to devolution in England. It was quasi-constitutional when the reforms were made in 2000. Other parts of England are now moving towards models that have evolved in their own ways. They are not exactly the same as London, but they have something in common with the London market.

It is the case that, as Colin [Stanbridge] said, we believe in the sanctity of the majority in the referendum. We get that. If we believe that, then there were three subareas within the UK - Scotland, Northern Ireland and London - that voted the other way, actually, in each case, by a bigger majority - as Colin said - the other way, but we are still in the UK and the UK sets the borders. However, we do allow far more diversity from place to place. It is not only the referendum. In fact, the British Survey of Social Attitudes shows clearly that attitudes to migration in London are different to the reason of the UK.

In a world where devolved power and bringing power closer to people - and personally, I would see as one of the lessons for us all of the referendum result that people want power nearer to themselves, not a long way away from them - and if we believe in power nearer to ourselves, then London making its own decisions, particularly London and the population, not everybody, is more at home with the idea of migration than other parts of England - then that could be reflected in public policy without destroying the UK. We are still part of the UK, but it would be recognition of the fact that people in some parts of the UK want different things to others. The Scots now - and the Welsh will soon - have income tax-raising powers, which is quite a radical change for Britain. The UK will be strengthened by allowing these kinds of differences. Why should people in regions who, in a sense, have voted to have less migration, if that is how we interpret the vote, care if London in its strange way goes off and does something else? That is how the country now works.

Peter Whittle AM: It is the capital of the country. It is not, I would suggest to you, like the Welsh Assembly or the Scottish Assembly. We have no power here. We have no power.

Professor Tony Travers (London School of Economics): You underplay your power, if I may say so.

Peter Whittle AM: No, we have no power. We have no constitution. We are not anything like the other national assemblies. Basically, it would be quite a step for London to have its own work permit system. The thing is - and what I am saying to you - that from your argument you seem to be saying, "I know that London is part of the UK and I like that, but". The fact is that it is part of the UK. Would it not be a cause for increasing anger outside London and increasing resentment at this special treatment that London should get with its own immigration system?

Colin Stanbridge (London Chamber of Commerce and Industry): Most of the country has voted against --

Professor Tony Travers (London School of Economics): I just want to say one final thing. I hope London Assembly Members - if I can just say this as a citizen - and I want London Assembly Members and the Mayor to represent London. Other parts of the UK and their Assembly Members are not going to worry much, if I may say so - and rightly not - about what happens in London. They will defend themselves. It is incumbent on those who live in a city, rightly in a democracy, to fight for it. I would strongly support those in Scotland, Wales, Northern Ireland and Greater Manchester next year to fight for their areas and rightly so. It is OK for people who live in an area to fight for their own power.

Julia Onslow–Cole (Head of Global Migration, PwC): Sorry, could I just say that our report was truly a regional one? It was the idea that we would have Manchester, Newcastle, Birmingham, etc. It was not defined as to how you would do it, but we were suggesting that you had a regional one.

I do understand what you are saying, but if you thought that it was a good idea for London to have a London visa but that - for the reasons you were saying - it optically would be better and also right that you rolled it out regionally, then the next question is how you would classify those regions and the best way to look at those regions. Then, if you wanted to take it further, you could perhaps take some of the ideas in Colin's [Stanbridge] report and some of the ideas in our report. None of this is fixed in stone and the points you make are really good ones. Then you could just put the whole thing together as a jigsaw.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): There is a very strong argument, which is difficult to use, of course, which goes along the lines of, "We are the only part of

the country that makes a profit. Therefore, if you want to have the sort of money that goes to the North West or goes to Scotland or goes to Wales, you had better make sure that you protect the London economy". Therefore, one would hope - and I find that this is the case, certainly amongst chambers of commerce and my fellow chief executives - that they understand that a successful London is vital to their success. All we are saying is that we believe that our success will be harmed if we do not come up with a solution to the access - or the perceived loss of access - to talent and to a workforce that can keep that economy going. It is to the country's whole benefit that we should do that. We accept that £34 billion worth of taxation will probably always be raised in London and spent elsewhere. That is the nature of it. However, you better keep that £34 billion. Realists realise that one of the ways might be for London to have a different system when it comes to it. Manchester also voted to stay, as did Liverpool, my home city.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): Exactly. They may well want to have a debate there. We are very happy that they share that debate. That is a very healthy thing to happen.

Vaughan Jones (Head of Policy and Research, Migration Matters): The letter the Japanese Government sent to the UK Government outlining its requirements for remaining as an investor in the UK included the importance of low-skilled migrant labour as a condition. That means, it seems to me, not only that London needs think about that but also that other regions, even if they voted against EU membership, will still have to tackle the issue of migration and how to include migrant labour in their economic planning in the future, regardless of which way they voted.

Peter Whittle AM: That is obviously the case. That is why I am trying to keep it to the London vote that we are talking about. It is very easy to go off onto a wider thing. This is my last question. I think you said your general impression of both Government proposals was that they are unworkable and highly bureaucratic?

Alp Mehmet (Vice Chairman, Migration Watch): They are overly complex. I do not think they will work. I do believe it would lead to a lot of irregular migration. It will be impossible to enforce. I really fail to understand why it would be wrong to make future migration from the EU part of something that has existed for many years and, despite its clunkiness, has actually worked quite well even since the limits on skilled work were introduced in 2010. The 20,700 work permits that were available have, on an annual basis, never been reached. Looking at those who come here to work from the EU in the higher-skilled jobs - and I take your point about access to lower skills - over the last four years something like 25,000 have come here. You could have a system that allows for even more to come in than 25,000 without even having a limit. Even if we did have more than 25,000 come, if you are keeping those low-skilled workers who come here looking for work out you are bringing migration down, which I would have thought should be one of the objects of the exercise.

Just going back to London and the point you made, Peter, I agree that London is the capital of the UK. I do not think, as a citizen, I want somehow London to be treated in a way that is exceptional. What happens in London should reflect what happens in the rest of the UK. It should not be done separately. I think most people in this country, frankly, would want that. That is a separate issue.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): Our airport policy, for example, you do not--

Alp Mehmet (Vice Chairman, Migration Watch): No. Come on, no.

Len Duvall AM (Chair): Vaughan, is there anything you want to say in response to that question from Peter?

Vaughan Jones (Head of Policy and Research, Migration Matters): You were asking about differential treatment. I would say you do not need to talk about differential treatment for London. You need to allow each region control over its economic policy and to factor migration into that.

Peter Whittle AM: Sorry, I have not heard that suggestion before. You mean basically that each regional local authority should have economic policy and migration control?

Len Duvall AM (Chair): It would have to be at the regional level. It could be regional government as opposed to national Government.

Peter Whittle AM: You mean Wales, Scotland and London?

Vaughan Jones (Head of Policy and Research, Migration Matters): Wales, Scotland and other regions as well, I would have thought. My point was simply that other regions will have to deal with migration regardless of Brexit and regardless of how they voted.

Julia Onslow-Cole (Head of Global Migration, PwC): Alp must be the only person in the whole of the UK who thinks we could stop EU migration and just fit everyone into the current immigration system.

Alp Mehmet (Vice Chairman, Migration Watch): I am not, Julia, the only person in this country, I promise you.

Julia Onslow-Cole (Head of Global Migration, PwC): Nobody in the Home Office certainly believes that.

Alp Mehmet (Vice Chairman, Migration Watch): You probably are and arguing differently.

Julia Onslow-Cole (Head of Global Migration, PwC): That is because - this is a fact - three-quarters of the EU migrants who are currently in the UK will be cut out of the current immigration system. That is a huge number. There is absolutely no way at all you could use the current immigration system, try to fit people into it and then say, "Those who do not fit may find that they have to go". That would take us right around to where we were at the beginning about the economic impacts of migration.

Alp Mehmet (Vice Chairman, Migration Watch): Sorry, are you suggesting, Julia, that I am suggesting that those who are here should leave? That is absurd.

Julia Onslow-Cole (Head of Global Migration, PwC): Sorry, you said that we have a perfectly good immigration system and therefore we could just fit those people into that system. What I am saying is that we cannot fit those people into that system. Everybody I have been talking to within the Home Office and elsewhere have been talking about the new system we will need to accommodate the fact we are leaving the EU. There has to be a new system. That will be an administrative burden for employers and government.

Len Duvall AM (Chair): This goes back to the original figure you said about the tier 2 employment factors.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): That was me saying that. We reckon 160,000 migrant workers will have to go.

Len Duvall AM (Chair): It is open to the Government to change that system to allow that to happen.

Julia Onslow-Cole (Head of Global Migration, PwC): The Government - and everyone - is looking very hard at what sort of new system there should be. Should there be, for example, some sector-based low-skill migration systems or some short-term systems? Should they open a new tier of the points-based system? Should they start using tier 3? A lot of work is being done about what the new model will look like. The only point I want to make is that everybody is looking at what the new model should be. I have not heard anybody, until today, suggest that you can keep the existing immigration system and leave it as it is. Three-quarters of the EU population that is here now will not meet those requirements.

Caroline Russell AM: This section is really looking at the risks and opportunities of a regional visa system. I would like to pick up on some of the things that have already been said. Like Fiona [Twycross AM], I am on the Economy Committee. Everyone who has spoken to us there has spoken up for the need for low-skilled immigration in order to keep several different sectors in London going. We also heard earlier this week that access to talent was one of the key factors, which means accessing more people to come here and work.

I am going to wrap the first two questions together because we have covered quite a lot of it. First of all, for Colin and Julia, if there is anything you feel has not yet been said on these two questions, you could say it and then I will invite the others to comment. How do you envisage regional visas working alongside the current points-based system for non-EU nationals? I am going to wrap in with it: would similar salary restrictions be imposed or would the scheme be more flexible?

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): As Julia said, you would have to go back and draw up a new system. That is what people are doing. If you talk to our smaller members, when they try to access the current non-EU system they give up because the paperwork and bureaucracy is appalling. For that reason alone it would be great to have a whole new system. We have to draw up a whole new system. That is one of the complications of leaving the EU.

On salary levels, you would have to be much more flexible. As you said, and we have said, it is not just about highly paid financial analysts, brain surgeons or people who invent graphene. It is also about those people who would do lower-paid jobs.

Julia Onslow-Cole (Head of Global Migration, PwC): As Colin said, the salary levels will definitely have to change because they talk about skills deficits. There would have to be lower salaries because the current work permit system is restricted to salaries for high-skilled work. We are talking about low-skill shortages and therefore the salaries will be different.

At the moment our system has different kinds of systems within it. I would envisage, as I said at the outset, that this would be one part of the system. There will definitely have to be other parts of the system because this will be for skills deficits but there will also have to be some system for career exchange, student migration and dependants. There would have to be systems as there are now.

You asked if I would like to add something. I am sure you have seen this from an economic point of view. There are a lot of employers, particularly in London and in particular industries - food manufacturing, hotel and catering, the NHS - that are very concerned about losing access to low-skilled EU migrants. They are extremely concerned about it. Sometimes it has been very difficult for those companies to speak up and explain the difficulties they have. As soon as they start to explain it people shoot them down and say, "All you

are doing is defending employing this group of migrants". It is completely wrong to say they are just employing this group because they are prepared to work for lower wages. In fact, when you do a deep dive on that, it does not stand up. There are a lot of difficulties have to do with our education system and the apprenticeships we have. There are a number of issues they are facing.

All of this, in my view, leads to the fact that these employers will need some kind of transition. It will be extremely difficult for these businesses, with the ratio of low-skilled EU migrants they are employing, to simply cut off that migration. There will have to be some thought given as to how the system changes and what that will look like for them.

Professor Tony Travers (London School of Economics): The point has been made a little bit this afternoon but, to reiterate, one of the curiosities of the consequences of needing to deal with the vote to leave the EU is that a number of issues that have never really been discussed publicly much will now have to be discussed, not least of which is the need for unskilled labour. There is currently - I am not an expert - no tier 3 migration at all. Were we to keep the tier system, which we may not, then the Government would be confronted with the question of whether they need to have tier 3 migration.

The sector that is most sharply affected - one of the sectors but one that, interestingly, is in the news for other reasons at the moment - is the adult care sector. In London, 60% of people working in adult care in London were born outside the UK. For the southeast region it is 25%. We could talk out of the room about how this came about - it has something to do with this squeezing of budgets and privatisation of care and driving down of costs and that is a separate story for another day - but the truth is this sector, like leisure, is very heavily dependent on migration, lots of it from outside the EU, in the case of adult care. The thing is that from here on we are going to have to think about this and talk about it. It is going to bring out into the open issues about the way we run parts of the public sector.

One way of dealing with the need for a significant number of low-skilled migrants working in a sector like that could be thought to be low pay but to increase the pay to the point that people want to do those jobs itself would be a big issue. It is a low-paid job. I am not saying it is low-status and nor should it be, but it is a lowly-paid job and if we wanted more people imaginably to come back into the workforce to do those jobs, they would have to be paid more. Then you are into very complex territory. Once you start looking at some subsectors, some of the public sector, some in the private sector, we will have to have a debate about unskilled migration of a kind we have avoided by being in the EU. That issue is going to come to the fore and be quite painful on both sides of the argument.

One final thought: I mentioned the 2 million workforce figure. Out of the 5 million people working in London today, 2 million were born outside the EU. The total number of unemployed people is 300,000 and so the idea that we just need to take people off unemployment to move them into the jobs - I am not saying everybody says that - and the idea that there is a fixed number of jobs, which there are not, and that you just move people from one group to another I am afraid does not work and could not mathematically work in London, full stop.

Caroline Russell AM: Yes. We also heard at the Economy Committee last week that people living elsewhere in the country are not going to move to London to take on those very low-paid jobs because the living costs in London are so high that they are better off in their home towns rather than --

Professor Tony Travers (London School of Economics): Yes. I can see that. One further complicating factor: looking at the labour market statistics that came out yesterday, which got some coverage showing that

unemployment rose - I am not saying why, but some other commentators have - in London it fell, quite substantially. Unemployment fell and employment rose in the last quarter in London so in a sense the issues we are discussing, if it is the case - and I am not predicting this - that one of the consequences of the EU referendum result and the economic fallout is that London does better than the rest of the country - if, I am not saying it will but if - then it will make these challenges even greater, oddly. Yesterday's statistics showed London in a quite different place from other parts of the UK. I am not saying it will continue but that is what it looked like yesterday.

Alp Mehmet (Vice Chairman, Migration Watch): Can we, just for the sake of argument, say those who are here at the moment are going to remain here? So what we are looking for is what is going to happen, the sort of system that we would like in place in the future. There is lots of stuff that the LCCI has come up with and PwC has come up with. I agree with a lot of it. What we are talking about is a system that caters for the needs that are identified in those reports and specifically in London. What I am saying is that certainly if we start looking to the future and we do look at our education system and we do look at our apprenticeship schemes, we look at training, proper training, which has all but stopped here, a lot of the concerns can be addressed by bringing in the high-level skills but not necessarily just allowing anyone who wants to come here to come here on the off-chance that they will want to work in our care sector.

Caroline Russell AM: That is quite a minority view.

Alp Mehmet (Vice Chairman, Migration Watch): It is not a minority view; it is a vast majority view in this country.

Caroline Russell AM: You gave a very clear position earlier when you talked about the people that we need to come in and you seemed to give a very clear understanding that that was higher-skilled people. We have been hearing a lot of evidence that we need a mix of skills and so I am thinking you --

Alp Mehmet (Vice Chairman, Migration Watch): I have also said that shortage occupation skill lists as well need to be addressed.

Vaughan Jones (Head of Policy and Research, Migration Matters): It is clear that high skills does not necessarily mean well paid. There are lots of people with high-level skills. Having too sharp a distinction around salaries would be a mistake.

One of the weaknesses of the argument we have just heard is the assumption that we have so many people here, they will stay, and then no new people will come and everything will just stay OK and it will be all right from then on. It is not recognising that we live in a very fluid world. We have a very dynamic economy and we need a very dynamic economy. We do not want things to stagnate. There will always be a need for this demographic churn and we just have to plan and include that in all our thinking and planning ahead.

Caroline Russell AM: The next question is about regional visas being made available to people who do not have job offers but do have relevant skills in areas like coding. Again, in the Economy Committee we have been hearing about tech industries; they just need that sort of dynamic creativity.

Again, this is something that has been touched on as we have been going along but does anyone have anything that they would like to say on that issue? Vaughan?

Vaughan Jones (Head of Policy and Research, Migration Matters): I have a note of caution there, particularly about low-skilled jobs. If, say, a catering industry is going to recruit it is unlikely that it would be recruiting people from abroad, except through agencies and there are dangers there. We have seen what happened with gangbusters and so on. There is a real possibility of exploitation so that needs to be safeguarded within the system.

Julia Onslow–Cole (Head of Global Migration, PwC): Vaughan, Caroline [Russell AM] was talking about the Tech City kind of need for skills. Tech City is so important, particularly to London. We have seen a huge amount of concern because of the fact that often we do not have in place the right science, technology, engineering and maths (STEM) skills at universities. What you are asking is whether there any flexibility in the regional visa scheme to allow some of these people to come while they do not have a specific job offer. Our paper was written on the basis that everyone would have a specific job offer and so we do not have that, but I would think that this whole area for Tech City and how we are looking for the future has to something that we really consider because the difficulty with the UK migration system - and it is not just the UK, it is a global phenomenon of all migration systems - is that systems were grown up on the basis that you go to university, you do a degree in a particular subject, you then have three years' work experience in that subject and then an employer recruits for a position with a person with a degree and three years' work experience in that subject. What happens is that those people, the creative people, and especially in Tech City but in fact in so many jobs now, they want young lively people; it really does not matter too much what their backgrounds are; they really just want the brightest and best and will just take them and put them into another job in America, in Mexico, in London, and obviously they do not fit in to an old-style work permit system that was devised many years ago when you just did not have this sort of phenomenon in your workforce, in this globally mobile workforce.

This whole thing that we have to fundamentally change our immigration system, there is a tiny upside to this in that we can look afresh at all these issues. The issue that you raise, how we make sure that we have the brightest and best for Tech City in the future, in tech and things like that, is something that we should look at and see how we could cater for an immigration system that would bring in that kind of talent.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): It is a problem and we were acutely aware of it when we were doing our work, especially for our smaller companies. Larger companies can look after themselves because they can find and advertise abroad and bring people in, make job offers and access that pool of talent through their overseas operations, but 86% of London companies employ fewer than ten people. They are the people who do not have that ability to spread their tentacles across the world and therefore have a job offer. Therefore, if you ask most of them, they would say, "What I want is a pool of labour there that I can go and choose from, that is there, skilled, ready to go, enthusiastic, and I would have a choice". Obviously every employer would want that. We are acutely aware that if we put that up, then we are going to be attacked because we want some sort of open borders. It is the point that we would not have started from here. All the things that we are putting forward here, we probably would not want to put forward but for the fact that we have now voted to leave the EU and it forces us into those situations. The fact about being in the EU was we did not need any of that because those people could come here, work in Starbucks for a bit and then, because they have a degree in nuclear physics, help the tech revolution in fintech or whatever else. Part of me wants to say, "No, we want to bring these people in and there is a pool of talent there" but I know that if I say that, people will shoot me down, saying, "This is exactly what we were arguing against: open borders". All I would say to that is that of course London did not do that; London voted overwhelmingly, by a margin larger than anybody else, as Tony has pointed out, in the country --

Professor Tony Travers (London School of Economics): Apart from the Scots?

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): -- apart from the Scots, yes - to say, "No, that is the situation that we want". I am trying to work out a way of trying to do that without being crucified.

Vaughan Jones (Head of Policy and Research, Migration Matters): How to have that entry point - the six months working in Starbucks and you come to look for a job - makes a lot of sense, does it not?

Caroline Russell AM: Indeed. I am very aware of the time. Can I take us back to public sector organisations? We have covered that a bit, but looking at the risks and opportunities, is there anything that any of you feel you have not yet said in relation to public sector organisations and regional visas?

Vaughan Jones (Head of Policy and Research, Migration Matters): Just that it will be needed. The public sector will need these --

Colin Stanbridge (London Chamber of Commerce and Industry): The public sector probably needs it more than the private sector.

Caroline Russell AM: Yes.

Professor Tony Travers (London School of Economics): Do you mean in terms of the regional visas rather than the general issue about Government and the system, which I would like to have one tiny chance to say something about?

Caroline Russell AM: Talk about Government and the system.

Professor Tony Travers (London School of Economics): Something we can all agree on, everybody in the room, whatever their views on the subject, which I hinted at the beginning of the afternoon, is that the current migration system as it is currently operated is not fit for purpose. We would all agree on that, whatever side of the argument we are on. I have heard Mark Littlewood from the Institute for Economic Affairs make this point at your launch event. The fact that the only way a citizen of the UK can get any toehold in the system when they want to - or indeed anybody going through the system - is through their Member of Parliament who has privileged access to the Home Office tells us something that is not good. You as Assembly Members cannot do it, councillors cannot do it; you have to go to the MP who has a phone line into the Department and that fact alone is something that we can all agree needs to be got right in whatever new system with regional visas, whatever your views on it, turn out to be. It is an opportunity to put the point to the Government that the system has to work in its own terms, whatever the numbers and however the system is operating, and it does not now.

Alp Mehmet (Vice Chairman, Migration Watch): I could not agree more. We are all in agreement.

Professor Tony Travers (London School of Economics): We can all agree on this.

Peter Whittle (AM): Something is not working. Mark Littlewood, by the way, is the non-Conservatives' favourite Conservative, should I say, because he just loves open borders. I know Mark well, his position is quite honourable on that, but we should be quite clear who we are talking about. These are fundamentalist free-marketeers who simply see everything in economic terms and therefore for them it does not matter who, what, why or whatever; it is purely they want open borders for profit, end of story. That is wrong.

Professor Tony Travers (London School of Economics): In fairness to all of us, it is that he wants a system lacking in the drag and Kafkaesque bureaucracy. We can all agree on that. Nobody wants that.

Peter Whittle (AM): Professor, they like nothing that drags on the market. They would get rid of anything that simply was not about pure capitalism. It is worth putting these points over. We have to know who we are talking about.

Len Duvall AM (Chair): Cutting you off in mid-flow, what we have established, in terms of needs, is we have gone from high-end business needs to small-business needs to public sector as established. These are issues for all shapes, public, private, and all skill levels and at some stage the Government holds the key to this, so on that -- but you --

Caroline Russell AM: I have one more question. We have been heading towards it anyway. It is about the drag that Tony [Travers] was just talking about. Are any of the proposals that are out there on the table for managing migration going forwards manageable, given that we are at a time of extreme budgetary pressure and are they going to result in more complex systems or red tape?

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): My fear is that the solutions we have come with here will probably lead to more bureaucracy and more red tape. That is not something that we would want to see, however not having some form of other different system to fill these shortages is much worse for not just the London economy but the British economy. However, there is an upside in terms of the shortage occupations list for London, which as Alp has said would be a good idea and so I am delighted that at least recommendation 3 of our report gets your backing.

Alp Mehmet (Vice Chairman, Migration Watch): There is some good stuff there.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): That could be a bonus for London because for non-EU immigration it has been a barrier and something that we have been fighting against for years, but no one has been listening to us. At least, as Tony [Travers] says, there are upsides where you certainly have to do this.

The other bit, of course, is the fact that if you talk to any small business that has tried to bring in someone on the points system, it is unbelievably difficult to do and you are going to have to change that, all those systems. There are upsides in that sense but there is no doubt that one of the costs of leaving the EU will be the fact that you will have to bring in, or create new systems, which may, obviously hopefully, repair some of the problems of the other systems, but will certainly bring in the dangers of new bureaucracy. That is what the British people have voted for; that is what the British people will have to pay for.

Professor Tony Travers (London School of Economics): The precise opposite: remember we used to have a very bad passport system with people queuing in Petty France and elsewhere and then not getting passports for six weeks. Now we have a system that works rather well. You have to pay a bit and you pay a bit more to get a faster service, but now the system is probably broadly self-supporting, without very high figures -- because at the moment here and there in the systems we end up with really high charges, which are really to discourage people from applying. What we need is a system that might be able to pay for itself but which has rational pricing structures inside it, which are fair to all concerned. Why could the system not be self-funding providing it is not using very high charges to discourage anybody from applying? The fact that we now have a functioning passport system suggests that if Government applies itself, it can make these systems work.

Caroline Russell AM: It might even create some jobs.

Professor Tony Travers (London School of Economics): And create some jobs.

Vaughan Jones (Head of Policy and Research, Migration Matters): There is an academic discipline of health management. There are professors of health management but there are no professors of migration management but it is equally --

Caroline Russell AM: A whole new educational strand.

Vaughan Jones (Head of Policy and Research, Migration Matters): Yes, absolutely.

Fiona Twycross AM: My point was on pay, but I could come in right at the end under other problems.

Fiona Twycross AM: Caroline [Russell AM] mentioned the need for lower-paid workers as well, and it occurred to me - I have not really thought this through entirely to a logical conclusion - that if we have a London Government that believes in and is advocating the London Living Wage rather than having a level that was up there and that pushed people to the higher-skilled, higher-qualified roles, would you see a situation in which we could have a regional visa where visas would only be given if the job was over the London Living Wage, for example, which would then tie in to other areas of policy?

Julia Onslow–Cole (Head of Global Migration, PwC): I do not think that is possible.

Professor Tony Travers (London School of Economics): It is a very interesting and complex question because there is almost a moral dimension to whether people should run businesses that pay below the London Living Wage but they will do so, inevitably. Artificial barriers as opposed to those that are generated by demand -- I realise that minimum wage is a complicated in this, I am probably not using it as a barrier myself but I have not really thought about it.

Fiona Twycross AM: All systems have rules. In all systems, people choose which rules apply to them.

Professor Tony Travers (London School of Economics): If we just play it out through the medium of adult care system, I do not know but I doubt it. Does everybody in that system pay the minimum wage?

Fiona Twycross AM: Not yet but there are moves towards it.

Colin Stanbridge (Chief Executive, London Chamber of Commerce and Industry): They have to pay the minimum wage; not the London Living Wage.

Fiona Twycross AM: They pay the National Minimum Wage.

Caroline Russell AM: Islington Council insists that all adult social care workers are paid the Living Wage.

Professor Tony Travers (London School of Economics): There is an interplay - I suppose is the point - between the two. I would have to think it through.

Fiona Twycross AM: Thank you.

Vaughan Jones (Head of Policy and Research, Migration Matters): Today's regulation because although a contractor with a local authority may officially be paying the minimum wage, they will actually find other ways so that they do not pay for the travel between visits and so on. It is not regulated in the way it needs to be.

Fiona Twycross AM: That is illegal. Yes, it needs to be monitored more closely.

Len Duvall AM (Chair): At that point we want to reflect on the information you have provided to us. Thank you very much for the way in which you have responded to our questions. This is one of the most pressing economic questions we are facing, alongside the other bits of the challenge post referendum. It is not just about London. I do not want anyone to think that. We do have some responsibility to the rest of the country and in those terms if we do not produce the tax dollars, in that sense, and we cannot keep London moving on its everyday issues, and getting people in and out of London is becoming a bit more challengeable and that will reduce.

You have given us a lot to think about in this very complex subject. We will reflect. We might write to you on one or two questions, when we go through them and start looking at some of the answers and so do be prepared that an email might wing its way to you. Thank you very much for the way that you have dealt with us this afternoon. Certainly it is a debate that will continue for some time. It needs to be resolved quickly, but it is going to continue. Thank you very much.