

EU Exit Working Group Meeting – 19 October 2017

Transcript of Agenda Item 3: Question and Answer Session with the Mayor of London on Exiting the EU

Len Duvall AM (Chair): We are now on the main item on the briefing for today, which is with the Mayor. Thank you, Mayor, for giving some time to us today. Mr Mayor, we are going to ask you a number of questions. Clearly, there may be other issues that you wish to raise with us. Please feel free to do so if you can.

If I could begin with the first set of questions, it is really about the discussions with [Rt. Hon] David Davis [MP], Secretary of State [for Exiting the EU]. Just set out your strategy in those discussions.

Sadiq Khan (Mayor of London): Sure. I have been impressed with the engagement from [Rt. Hon] David Davis [MP] with me.

If I just explain, before [Rt. Hon] Theresa May [MP] became Prime Minister, when David Cameron was still Prime Minister after the referendum until his resignation, I had one meeting with [Rt. Hon Sir] Oliver Letwin [MP], who was the person charged by David Cameron to be in charge of Brexit negotiations and, obviously, it was early stages. I asked [Rt. Hon] David Davis [MP] firstly to be a member of the Joint Ministerial Committee for very good constitutional reasons - that is the devolved administrations of Scotland, Northern Ireland and Wales - and, not unreasonably, he said no. I did try very hard. He made an offer, which I accepted, which was to meet me regularly bilaterally to discuss with him my concerns about what Brexit could mean for London and also so that I could raise with him issues that I wanted to raise as the Mayor of London. I have met him six or seven times. On the last two or three occasions, I have taken experts with me from different sectors.

The initial discussions were about what we need to get out of a deal with the EU. My emphasis was in relation to a transitional deal with phased implementation, an interim deal, and a cast-iron guarantee for EU citizens. It soon became clear that phase one is - in inverted commas - the 'divorce' and phase two is then trade. I have then moved on to taking with me experts. I have a Brexit Advisory Panel and so I have taken with me on one occasion Sir John Sorrell [CBE, Designer and Chairman of London Design Festival] an expert in the creative industries. To the last meeting I took along Professor Alice Gast [President, Imperial College London] on higher education.

I was due to meet [Rt. Hon] David Davis [MP] yesterday, taking along an expert in relation to digital, but for understandable reasons he is engaged with the European Council. I have been impressed with his willingness to listen and engage and challenge me as I challenge him. When I meet people around the city, the good news is that it appears they have heard from or are about to hear from [Rt. Hon] David Davis [MP], a good sign because what you would not want is a situation where they have not heard from the Secretary of State or vice versa.

The proof is going to be in the eating, but I have been impressed with my engagement. I can raise points with him. Some of the things he cannot answer yet, for obvious reasons, and a number of the things we discuss are private and for reasons you will appreciate I cannot discuss, and that is part of the confidence-building measures, he in I and I in him, which is why things do not leak. That is really important.

Len Duvall AM (Chair): We do understand the private nature of part of that conversation and the bits that you can, but can you give us a flavour of some of the topics that you think you will be planning to raise in the coming months? I ask that because that might help us in terms of supporting you on some of the issues and doing some preliminary work with some of our expert witnesses.

Sadiq Khan (Mayor of London): Chair, I will share with you offline the various sectors I intend to raise with [Rt. Hon] David Davis [MP] in the next, say, three or four months and you can feed into those discussions. We decided what would be helpful for civil servants would be to take sector experts with me, not just me batting for London but people who are experts. I will send you the next two or three sectors we have worked out.

Just to show how things have moved on - and this is progress, I think, and I am not claiming sole credit - before the General Election, we talked about what you can call the transitional arrangements, the interim deal, phased implementation, and the response was, "Not really. We think we can do a done deal by March 2019". For a variety of reasons, we have now reached a position where, if you read the Prime Minister's speech in Florence, she accepts a transitional period but questioned two, three or four years. That is good. There is an issue about how we need certainty that I will come on to later on and maybe when by.

Another issue: you have seen overnight the Prime Minister's Facebook post to Londoners who are EU citizens and also around the country. That is progress, if you remember, I read and I was speaking to you before we started this meeting about how emotional the transcript was; I was reading of the open-mic session and some of the Londoners who gave evidence to the EU. You know the anxieties. That is progress made as well. Clearly, for me, one of the big issues is Londoners and movement and so we are going to carry on making progress. As we go onwards, it will be sector by sector.

The key thing now - and I suspect the next time I meet with [Rt. Hon] David Davis [MP] - is by when we need to sort out the transitional deal. When you speak to the Deputy Governor of the Bank of England, he says Christmas. If you speak to City UK, they say the first quarter. The Confederation of British Industry (CBI) says the first quarter. Why do they say that? They have to plan for what happens in March 2019. If you speak to the aviation sector, by the way, because the World Trade Organisation (WTO) does not apply to aviation, they say one year in advance of March 2019. Therefore, I suspect that that will be the key focus of our next discussion.

However, again, for reasons that you will appreciate, [Rt. Hon] David Davis [MP] has to be very careful in relation to what he says to me that is private because this can affect things like - and I am not overemphasising the role [Rt. Hon] David Davis [MP] has - the pound, share prices and all the rest of it. We have to be a bit sensitive about that information, but those sorts of things I am raising with him. Of course, I am very happy for you to make representations to me and suggestions which I will raise with him.

Len Duvall AM (Chair): Thank you for that. You mentioned about the role of the advisory group that you have established, but in a sense, you probably have two advisory groups. You have the Brexit Expert Advisory Panel and you have your Mayor's Business Advisory Board. Just paint us a picture in terms of how you found that beneficial to have in those discussions. Have you set up any other expert panels?

Sadiq Khan (Mayor of London): The Brexit Advisory Panel: we did not ask them how they voted, by the way. At issue was the expertise, financial, higher education, culture, sciences, life sciences. The relationship there is actually more bilateral and so my team will ring up an expert and say, "Listen, what is your view on blah?" For example, last week before I published an immigration paper, in wider relation to -- you will be

aware that the Migration Advisory Committee is looking at immigration. It does not report until next year, which causes us some concern, and so I gave a submission to them last week. Particular issues of expertise they have that we do not have in relation to a whole host of issues from construction to life sciences and higher education. A conversation will be had bilaterally rather than us meeting as a group. Their diaries are very busy. These are people who -- to get a date in their diary in three months' time is very difficult and so it is bilateral conversations, mainly virtual, emails and phone calls as well; very little face-to-face contact because of diary pressures.

Separately there is the Business Advisory Board, which advises on a whole host of issues to do with London's place as a pre-eminent place of business. Obviously, there is an overlap, but the Brexit Advisory Panel understands that their specialism, as far as I am concerned, to me and the expertise I want is on Brexit, on flexible workforces, on the movement of capital goods, labour, people and those sorts of issues. Also, for example, they will have private chats with me about, "Listen we are now making plan B. We cannot go public on this. We are letting you know, just so you know what we are doing", or, for example, some of the pipeline stuff in relation to announcements that we are making now, "Just so you know, the pipeline is not as heavy as it was a year ago or a year and a half ago and so do not be surprised if in 12 months' time things are not great for my company". They are those sorts of confidential conversations.

Len Duvall AM (Chair): The previous Mayor had Gerard Lyons advising him as his Chief [Economic Advisor]. Are there a number of people advising you on specific economic challenges for London? Is it a number of people that you are taking advice from or have you honed in on one particular person?

Sadiq Khan (Mayor of London): The Deputy Mayor for Business is Rajesh Agrawal. The Business Advisory Board has a huge role. All of them collectively meet regularly - the next meeting is next week - in relation to advice they give me. Then there is advice offline. There is no one guru I have that I go to who is the sole oracle. A whole host of people advise me on a whole host of issues.

Len Duvall AM (Chair): I just want to turn now and you mentioned earlier about the devolved nations. Of course, we are not Scotland, we are not Wales and we are not Northern Ireland, but we do have characteristics that are similar in terms of interests and where we work. In some of the letters that I have had back from you, they talk about how you are working with the metro mayors. Has that initial conversation with [Rt. Hon] David Davis [MP] pushed you away from co-operation with the devolved bodies or do you think that it is just not there?

I would like to make a counter push on that in the sense that, no, we are not Catalonia and, no, we do not go it alone and we are not making a bid for that and we are not saying we are of the same status. I agree with you that we do not necessarily need to sit around the table. You have explained, I thought rather well, this morning that actually the conversations with [Rt. Hon] David Davis [MP] are achieving probably a greater outcome than maybe some of those formal discussions that we are having around a committee table, in some senses, about a London perspective.

What would be the common areas in your view that we could work with them on? We are doing some work with the scrutiny bodies but we are just not --

Sadiq Khan (Mayor of London): Sure.

Len Duvall AM (Chair): Do I have it wrong - I am just responding to your letters?

Sadiq Khan (Mayor of London): I will just say first of all that representations have been made to me to unilaterally declare independence. I have declined those representations.

Len Duvall AM (Chair): Please do not.

Sadiq Khan (Mayor of London): Actually, if you like, I am riding a number of horses. There are the bilateral meetings with [Rt. Hon] David Davis [MP]. I have met and spoken to Nicola Sturgeon [MSP, First Minister of Scotland] and Carwyn Jones [AM, First Minister of Wales], Andy Street [CBE, Mayor of the West Midlands] and [Rt. Hon] Andy Burnham [Mayor of Greater Manchester], the Mayor for Cambridgeshire and Peterborough and the Mayor for West of England last week in relation to infrastructure and they are coming to City Hall shortly, all seven. One of the issues we will discuss is this. My officials speak regularly to Wales and Scotland. Northern Ireland is a bit difficult. We do speak to them. We talk to Gibraltar as well. There is lots of commonality, actually. You are right. Your analysis is correct.

I will give you an example. In Scotland, there is a need for talent. There is a skill shortage. They have a shortage occupation list. There are very few occupations on there, but they do have one and they have been devolved that power to do so. They have - I use the phrase - veto powers that we do not have in relation to the final agreement. Concerns they have are similar to us in relation to monies they currently receive directly from Brussels. Their concern is that if it goes to Westminster, will they be able to -- the United Kingdom (UK) Shared Prosperity Fund. We have similar concerns. The difference is that we do not have the veto. There are lots of commonalities and we speak regularly to them.

I will give you another example. At one of the evidence sessions you had - and I read the transcript with interest - about regional visas, it is obviously an issue that all of us are thinking about, but we all recognise that the nation state means one immigration policy. It is the UK Border Agency (BA), not Scotland BA or Wales BA or London BA.

We have regular conversations. Some of it is official-to-official, some of it is me with the relevant First Minister, but I would not want you to think that all our eggs are in the bilateral baskets. The Northern metro mayors have publicly complained, for example, that they have met [Rt. Hon] David Davis [MP] only once very recently. I know, for example, when I compare and contrast the meetings I have had with [Rt. Hon] David Davis [MP], they are more than the meetings Nicola Sturgeon [MSP] and Carwyn Jones [AM] have had. There have actually been only two meetings they have had with the Joint Ministerial Committee that the Prime Minister has chaired.

In my humble opinion, we are - nudge, nudge, nudge - achieving more but, to be fair, we will not see the benefits of these discussions until phase two, the trade part of it. The divorce part is important because of the three things that the UK has to resolve. Northern Ireland does not really involve us directly. The financial settlement does affect us because of things like Horizon 2020 and all the rest of it, which we can come into. EU citizenship affects us a lot and so we are involved in that and we have some progress there; again, I am not claiming all the credit.

The trade part is really important. We have a massive role. To be fair, the country needs us to do well in those discussions around trade because we are so important to our country's economy.

Len Duvall AM (Chair): I suppose the third part, which will come later, is about lobbying Parliament about some of the regulatory issues that we may lose or adopt depending on those trade parts around environmental

regulations and other issues - consumer issues - that are equally important. They are connected to trade but some of them will be Parliamentary Acts, will they not?

Sadiq Khan (Mayor of London): The EU Withdrawal Bill we are working on. We separately have a parliamentary lobbying operation taking place, cross-party, by the way. It has to be cross-party. That is really important.

I will give you an example. Andrea Leadsom, when she was the Secretary of State for Environment, Food and Rural Affairs (Defra), said - and I am paraphrasing - when she gave evidence to a committee, "Two thirds of environmental laws will be in domestic legislation". That begs the question: what is the third missing? If you look at the progress made around waste, around recycling, around air quality and a number of other issues, the issue is regulation, monitoring and enforcement. Even if we are missing a third of the legislation in domestic legislation, let us assume we had 100% of the legislation. It still begs the question of monitoring and regulation. We have to be very careful. The environment is probably the best example for us as London because what we do not want is a levelling down to worse than the EU.

My view is that we can have 'EU-plus' if we work cleverly with the Government and also with Parliament. It had to be the executive and the legislature, which means cross-party, but also discussions with the Secretaries of State, whether it is the Home Secretary-- One of my big concerns is in relation to security and so I am saying to the Home Secretary, "Look, it is really important that we have some red lines in relation to security, whether it is the Prüm Convention, whether it is the European Arrest Warrant, whether it is Europol, whether it is the Schengen Information System, whether it is the passenger information records. Irrespective of the deal that is made, we have to have at least as good as we have now.

In relation to [Rt. Hon] Michael Gove [MP], the new Defra Secretary of State, in relation to the environment, it is a different Secretary of State and we are having different conversations about what we want from domestic legislation.

Len Duvall AM (Chair): Good. We might want to consider that regulatory/monitoring bit in the future and try to get ahead of the game before we get into that actual activity.

This might sound a bit of an odd question but it is worth asking. I am thinking aloud. Powers and responsibilities currently exercised at European level: should we be trying to repatriate that, in the devolution debate, back to London? Is there anything you have come across yet where you think that? I am conscious that there may be elements of that. Yesterday we were having a discussion around European funding issues and about how that would work or not work and all the rest of it. That was one thought in my mind that possibly only came to me yesterday. Is there anything you feel you have come across that says that actually that should be part of the devolution debate here in the UK post-Brexit?

Sadiq Khan (Mayor of London): There are a number of different issues. One is what powers - and it is a small p - we have now. I accept and we should accept and we are committed to -- we do not have a Scotland Act or a Wales Act and so we have - I will use the phrase 'veto powers' but you get the point - in relation to things they will take back from Brussels to Edinburgh or to Cardiff or to Belfast. We do not have the same levers they have.

However, in relation to a future devolution deal, yes, there is a really serious discussion to have with the Government. For example, if just some of the London Finance Commission (LFC) recommendations from Boris Johnson's [MP, former Mayor of London] LFC or my second version were implemented, it would alleviate

some of the concerns we have as Londoners about some of the resources and powers going from Brussels to Westminster rather than from Brussels to London, Cardiff, Belfast and Edinburgh.

I will give you one example which you raised yesterday. I read the summary in relation to yesterday, a readout, in relation to the issues around the European Structural and Investment Funds (ESIF). Actually, if we are not astute, some of the monies we can bid for from Brussels, which is match-funded by Government departments and others including us, may go to Westminster and be lost from London. The irony is that we could have less control over our destiny afterwards than before. I am not saying that will happen but that is what we have to avoid and stuff.

There are two ways we have to answer. That is why the Greater London Authority (GLA) and the [London] Assembly have a big role to play in relation to those discussions because, if you are a Londoner who voted to leave the EU, I suspect you did not vote to have less control in the future after we have left the EU than we have now. That is what the Government has to recognise in relation to powers and resources down to the people nearest the coalface. If you are a Brexiteer in Government or even in Parliament, you need to recognise you want it to be a success and so that is why it is really important to have engagement. I am criticised by some people for having good, frank, candid chats with members of the Government. I do not apologise for that. London works when we work closely with the Government, whatever hue or colour the Government is.

Len Duvall AM (Chair): True. I suppose part of yesterday was really about how we all have different views about leave or remain and around the decision that has been taken following the referendum. The contention made by [Rt. Hon] Lord Heseltine [of Thenford] yesterday was almost - and I am paraphrasing - that regardless of Brexit, we need a new settlement here, but in terms of Brexit, it is more important to talk about a new settlement and some of those issues if we are going to face the challenges in the future. Is that where your contention is about some of this work?

Sadiq Khan (Mayor of London): We are leaving the EU. That accelerates the need for there to be greater devolution on a whole host of issues and the Government has to recognise that it is in nobody's interest for London to do less well afterwards than before, and that must mean more devolution.

You mentioned earlier on what working relationships we have with other metro mayors. That is one of the things we all agree on, by the way. Whether you are in the West of England, Cambridgeshire and Peterborough, Greater Manchester, Liverpool, West Midlands or the Tees Valley, we all agree that there needs to be greater devolution - by the way, Scotland and Wales as well - and that will make us more efficient on a whole host of issues and stuff. I am hoping that Brexit provides an opportunity to kickstart the devolution discussion that we had.

We do not need a constitutional convention in relation to some of this stuff. We can do it now. There are longer-term discussions about how there are people who live in London who feel disconnected from City Hall and their local council. Forget Parliament and Brussels. There is a separate discussion to be had there about how we better connect them to people like us. It is in nobody's interest for them to think politics does not work and we are all out of touch. That is a more medium- to long-term conversation.

In the short term, [Rt. Hon] Lord Heseltine [of Thenford] is right that Brexit should accelerate the need for a new settlement in relation to how we do things in the country and in the city.

Len Duvall AM (Chair): Of course everybody is working in a very pragmatic way following the referendum. If we turn to your personal views now about the situation, I saw somewhere today about some red lines on

particular issues that you think are important and that you have to get right, but also you have commented about a second referendum on the deal around that and that endorsement. Let us turn to those issues and just give us your views.

Sadiq Khan (Mayor of London): Let us first talk about red lines. The Director-General (DG) of MI5 this week has said that we face the most severe terror threat we have ever faced. Separately, we have heard the Head of Counterterror say that the increase in terror attacks and attempts for this year – there were seven thwarted – is not a spike but a shift. Also, we know about the cross-border criminality from guns, from kidnapping, from modern slavery and a whole host of issues.

We currently have very good bilateral links. If you listened to the Head of MI5, he was talking about joint operations and intelligence sharing, and so those bilateral links exist anyway. We have Metropolitan Police Service (MPS) teams in various big cities around Europe and around the world. In addition, we have excellent links with these countries in the EU because of a number of things: the European Arrest Warrant, the Prüm Convention. The European Arrest Warrant means we can bring bad people back swifter and vice-versa. The Prüm Convention means that we can share a whole host of things from DNA, fingerprints, vehicle details. We can check the names of passengers on watchlists because of the EU. Europol means we can see who is wanted and also who are potentially criminals in other countries. There other examples like the Schengen Information List as well.

Irrespective of the negotiations and how they pan out, these are things that we need to have even after we have left the EU. My point in relation to us is, irrespective of the deal we do with the EU, this makes us safe and secure. My point to friends in Europe would be: irrespective of what happens with the deal, this makes you guys safer as well. There is no downside to us agreeing on six, what I call, red-line areas. Let us get it over and done with as soon as possible. By the way, that creates goodwill on both sides in relation to all the other stuff that may be more contentious.

The second issue you asked about was a second referendum. Look, I accept the vote of the British public. I may not like it, but we are where we are. My job as the Mayor is to make it work. My job is to make sure that the deal we do with the EU is good for London. I say this: I don't think it will be as good as the deal we had before, but that is life. The British public voted on the referendum and voted to leave the EU. By the way, London voted to remain by a decisive margin, which has similarities with Scotland. Scotland, London and Northern Ireland voted to stay but I accept the verdict of the British public.

I was asked a question: are there hypothetical scenarios where you could have a second referendum? I gave those hypothetical scenarios, but in my negotiations, discussions and meetings with Ministers, with foreign dignitaries and with business leaders I always say, "Listen, we have to accept the verdict of the British public and work to make a success of the referendum".

I still think, by the way, that London can and will be the greatest city in the world after we have left the EU. Privately, I might think that it is despite leaving the EU, but that is not the point. The point is that the underlying strengths of our city will remain: our talent, the get up and go attitude, our universities, the legal system, the ecosystem. It is not just financial London; it is financial, culture, tech, research and development (R&D), science. Those underlying strengths are not going to go away. One of the reasons, Chair, I am going to India and Pakistan is to bat for London. I never go anywhere and do not speak volumes for our city, but I deal with evidence. I am never also blindly jingoistic about London. My jingoism is based on the evidence. We are a great city. Those underlying strengths are here. They will still be here even though we have left the EU.

Len Duvall AM (Chair): Thank you. I suppose, just to sum up in terms of that, I get the feeling, even from those who wanted to stay in the EU but particularly from the people who wanted to leave the EU, that they are coming to a view that no deal is not good enough for them in terms of that and the consequences of that. Is that what you are picking up in terms of when you talk to people who say, "Look, I voted to get out but I am really concerned about this issue and this issue and all the rest of it"? I am aware of some survey work which was done both for leavers and for remainers, who were saying, "Actually, we are worried about no deal".

Sadiq Khan (Mayor of London): Look, the best way to answer that is: you just talked about the voters. There is the Government and there are voters. In the composition of parliamentarians and the Government, they have moved. When I gave evidence to the Select Committee that [Rt. Hon] Hilary Benn [MP] chairs, the point I made there was that no deal means WTO terms. No deal does not mean *status quo*. There is a misconception even amongst politicians and the Government about what no deal means: goods, tariffs. By the way, 44% of our exports are to the EU. 44%. Imagine the tariffs on those goods and then the non-goods tariffs in relation to other issues, such as services. Sixty per cent of our exports are to countries that have to deal with the EU and 88% with countries and the EU where a deal is about to be done. Therefore, no deal means WTO, which is bad.

By the way, for aviation, there are no WTO terms. On aviation, there are no WTO deals, which is why [Rt. Hon] Philip Hammond [MP, Chancellor of the Exchequer] said last week - and he was not scaring people - that we have to understand that if there is no aviation deal with the EU, then what does it mean for our planes going to the USA, going to India and going to other parts of the world because the WTO does not apply? The Government is waking up to this now and the language. You saw [Rt. Hon] Amber Rudd [MP, Home Secretary] saying that it would be inconceivable for there to be no deal because she understands in relation to security her particular area and stuff.

There is a separate issue about voters. Look, people voted to leave for a variety of reasons. It is really complicated. Some of it is emotional. Some of it is the pace of immigration. Some of it is the impact on local services. Some of it is because they have seen a race to the bottom. There could be a variety of reasons why people voted to leave the EU. I think it is patronising when politicians say that people did not understand what they were voting for. I feel uncomfortable saying that and I do not say that. Some of it is in relation to promises made to them by people they respect, which we now realise, because the people who made the promises have said that it was just not true, but they believed the promises. It is a bit different.

What we have to do is to make sure we persuade those who are making the decisions why no deal is bad. Sure, as a former lawyer who used to negotiate, I can conceive of a situation where a deal is so bad that it is worse than no deal. I can conceive of that, hypothetically speaking, but that deal would have to be worse than WTO terms to be worse than no deal. There would have to be a deal worse than WTO that is better than no deal. Therefore, I accept, hypothetically speaking, there is a scenario where no deal is better than a bad deal, but the reality is that we have to do a deal with the EU.

By the way, the good news is the EU understands that. No deal is bad for the EU, too. I say this with respect to my friends in Europe and the mayors whom I meet regularly and I am going to meet the Mayor of Paris next week and other mayors. These companies that leave London, with the greatest of respect, probably are not going to go to Paris, Frankfurt, Amsterdam or Berlin. Some will. There will be some fragmentation. They are going to go to New York, Hong Kong and Singapore. Hard Brexit or no deal is not good for either of us, you EU or us London.

I am hoping and I have seen movement, by the way, from outside. Outside is the Government, by the way. Her Majesty's Government is outside. We have to recognise that. We are all on the same side here. I see movement from outside in relation to no deal being better than a bad deal, but we have to carry on making progress.

Len Duvall AM (Chair): Thank you for that.

Caroline Pidgeon MBE AM: I just wanted to pick up the conversation about devolution and looking at what you are going to develop as the ask for London because in one of the bits of evidence yesterday from the civil servant, he was very cautious - as all civil servants are - but he did make it very clear that everyone talks about devolution but it is never presented in a very clear, crisp, "This is practically, at every level, how it will work", to put the case to then be persuasive. I was wondering what work you are putting into that area.

Sadiq Khan (Mayor of London): That actually is quite relevant. I have written to the borough leaders around London about a joint submission we should do to the Government on this very issue, which I am happy to share with you once they have signed it off. It is with them now.

There are number of different things we can do in relation to pots of money that currently exist that we could get devolution for. There is the UK Shared Prosperity Fund, which the Government is talking about. There are no real details on what that means. Is it ringfenced? What does it mean? This is an unknown in relation to what it means for London but we are working with councils because what I do not want to do is to give an impression that we are trying to suck power into City Hall. It has to be London government. I am happy to share that with you in relation to what a devolution package would look like.

Caroline Pidgeon MBE AM: OK. We should not be afraid, though. Some things are best done at City Hall at a strategic level and --

Sadiq Khan (Mayor of London): Councils accept that in relation to a whole host of things like the ESIF. We can administer that far better. You heard evidence yesterday in relation to skills, enterprise, employment. We can do a lot. By the way, some of that is match-funded by the Department for Work and Pensions (DWP) and others who recognise that we are far better at doing that than Government departments are.

Caroline Pidgeon MBE AM: Yes, great. I would like to see that. We would be interested in that.

Jennette Arnold OBE AM: You just spoke about how you meet up with mayors and you said you are going to be meeting up with mayors at the next C40 meeting. I was just wondering about your relationship with the rest of the mayors - there are a good few of them - across the EU. These mayors will be voting or determining the future. I am just wondering whether you would agree with me that there is room for them to hear from you articulating that very point that you have just made: that no deal is bad for all European cities. I have not heard much about that. We have been talking about your relationship with metro mayors and your relationship possibly with London boroughs, but there is that powerful alliance of European mayors who, like you, need to understand that no deal or a bad deal absolutely diminishes all European cities. I do not know what work you are doing to reach out to them. It would not, if you like, have a conflict with this ongoing relationship that you have with the Secretary of State. It is part of your job to meet and do everything that you can. I am just aware that I am not sure that you have actually reached out to a meeting of all European mayors and given them your view.

Sadiq Khan (Mayor of London): I have. I am so sorry. I went to Brussels and did it. I went to Brussels and the centrepiece of my speech in Brussels was that a hard Brexit is as bad for you as it is for us. I am happy to circulate that speech I did in Brussels.

I also had all the ambassadors - all 27 - into City Hall and explained it to them. You have to do it with humility, not in an arrogant, jingoistic way. I said, "This hard Brexit is bad for us, but it is bad for you as well". We had a very frank conversation with the EU ambassadors.

I am meeting the Mayor of Sofia today. I meet regularly with mayors from other cities around Europe and ministers as well. I met Guy Verhofstadt [Belgian MEP and former Prime Minister of Belgium] two weeks ago when he was in London. You have to do it in a respectful way, of course, not in an arrogant way. I have said the same thing to the Mayor of Paris. We have had visitors to London, by the way, courting our businesses, which they are entitled to do. Those messages I have said openly and frankly to not just mayors of other cities across Europe but their ambassadors and ministers from those countries as well.

Also, the centrepiece of my speech in Brussels when I went on my trip earlier this year to Brussels was just that we should not pretend that any one city in Europe can take what London offers. Sure, some may fragment, but actually the real losers are all of us and the winners are Hong Kong, Singapore and New York because they are global cities that could take some of this stuff. I will carry on doing that because it is very important that people hear this. Again, you cannot say it in an arrogant way, talking down. It is just so that we are clear.

By the way, that is not just what I say; that is what the banks I speak to say. When you speak to these banks and these multinationals, that is what they say. I love Paris, I love Barcelona, I love Berlin. I love all of these other cities around Europe, but which other city in Europe is a global city with all the things that London has to offer? There are cities around the world that do and so you want to explain this to them. By the way, I have seen no evidence of European cities or European politicians that I have met wanting to punish us, saying, "You know what? Because you voted to leave, we are going to do a bad deal with you and hard Brexit. It will serve you right". They actually want to do a deal that works for them. They make the point, though, that you cannot expect to be better off or as well off outside the club as you are inside the club. That is not an unreasonable point.

Jennette Arnold OBE AM: Just to say, I totally agree with you. It is just that recently -- as you know, I am a member of the UK delegation to the Committee of the Regions, and the President there was speaking about the value of cities and of course of London. I am sure that if you were to get an opportunity and an invitation, the mayors there from Germany, from Austria and from across Europe would welcome hearing from you.

Sadiq Khan (Mayor of London): Sure. Thank you.

Gareth Bacon AM (Deputy Chairman): Mr Mayor, there has been a lot of encouraging common ground in your remarks today and in what we heard yesterday on a range of subjects but particularly on devolution. I agree with Caroline's [Pidgeon MBE AM] statement just a moment ago that actually there are some things that are best placed at City Hall. Leaving aside any party-political argument, there are some strategic powers that could do with coming here. I am not going to put up any straw men to be knocked down now, but in the paper that you are writing and sending off to the Government, you touched on pots of funding and things like that, but are you looking at powers in there as well?

Sadiq Khan (Mayor of London): There is the separate piece of work that we have done in relation to LFC II. There are separate memoranda of understanding (MOUs) we are having with certain Government departments.

Most recently this week I am meeting with [Rt. Hon] Justine Greening [MP, Secretary of State for Education] in relation to progress on adult education. These are department-to-department. What I have not done so far is an all-encompassing, new LFC III or a new devolution package, but I am open to ideas from the Working Group. We are not suggesting that because at the moment, if you remember the approach made last year with the Government around the MOUs and a whole host of issues from finance to land-value capture, we are in the process of almost finalising another health MOU. The separate devolution packages taking place with Government departments, which Number 10 co-ordinates, is not an overall new package post us leaving the EU.

Gareth Bacon AM (Deputy Chairman): When leaving the EU, we will not get to Brexit day plus one and things will stay as they are for generations thereafter. Of course, things will change as time goes on. It does not all have to be done in the space of 18 months, but there is an opening with Brexit to push for devolution and it is not just on the financial side. LFC I and II were primarily focused on financial powers and fundraising particularly and how we do land value capture and that sort of thing.

I am thinking more about what the mayoralty would look like and what local government in London would look like. We are often compared with New York but the systems are completely different and the New York Mayor has powers and responsibilities that we do not have here in London. The argument could be made: should we start looking at that? Should we start thinking about how we really upskill the political institutions that we have? That is something that should be looked at. Genuinely, at all levels, we need to be starting to think about what the ask is going forward.

I appreciate you have an urgent thing right now, but is that something that your office is going to consider going off into the future?

Sadiq Khan (Mayor of London): I am happy to work with the Assembly and others to look into that.

Gareth Bacon AM (Deputy Chairman): That is good because we would be very happy to work with you on that as well.

Sadiq Khan (Mayor of London): You are right that it has to be cross-party. It cannot be otherwise. You are right.

Gareth Bacon AM (Deputy Chairman): The other thing that I would plead with on that is that, in doing that work, it cannot be about what is party-political advantage. For my party at the moment in London, taking power away from you would be a really good thing, but we need to drop that because there are some institutional arrangements which could be very beneficial, regardless of who happens to be the Mayor.

Sadiq Khan (Mayor of London): The good news on that is that I am very impressed by the metro mayors. By the way, the majority are not Labour. It is an opportunity for us to recalibrate the relationship between cities and regions and Whitehall.

Gareth Bacon AM (Deputy Chairman): Michael Heseltine [Rt. Hon Lord Heseltine of Thenford] made the case, I thought quite effectively, yesterday when he talked about devolution and where things should be done. He has made that case for most of his career. He said it has nothing to do with Brexit; we should be doing this anyway. That was right. For those of us who were there, nobody dissented from that for a single second. That is the kind of tone that we need to take going forward.

Peter Whittle AM: Mr Mayor, the Chair was asking you about your personal position. I am very encouraged to hear you say that we should not patronise people. They voted for a number of different reasons and I would note that I have never actually heard you say anything to that effect. I am also quite pleased to hear you say that, hypothetically, you could see a position where no deal is better than a bad deal.

My question really is: are you of the opinion that one does hear mentioned that the contents of a deal should therefore be subject to a second referendum?

Sadiq Khan (Mayor of London): There is a step before that which is the vote in Parliament. It depends what Parliament decides. Many people who were advocating leaving the EU were advocating for the British Parliament being sovereign. You cannot have it both ways. If the British Parliament is sovereign, surely, they must have a vote on the deal our Government does with Brussels, the executive, and so the executive goes and does a deal with Brussels. It must be right if our Parliament is sovereign for the British legislature to have a vote on the deal that the British Government did. We will have to wait and see what that vote entails.

Peter Whittle AM: Yes, but after that, would you think that that should be then equal to a referendum?

Sadiq Khan (Mayor of London): If the Parliament we voted for - putting aside the Lords for a second - has decided to accept the deal made by the Government, I am not sure that it is necessary to have a second referendum because they have accepted it. The question, which is more interesting, is what happens if Parliament rejects the deal done by the Government, which it is entitled to do that because the British Parliament is sovereign.

Caroline Pidgeon MBE AM: It has been a very good discussion so far. I want to look at the key sectors in London. Looking at the financial services sector, people like the Chief [Executive] of the London Stock Exchange have been talking about how London could be stripped of lucrative euro-clearing facilities, which could cost investors £100 billion over five years, losing 230,000 jobs. What are the current concerns that you are picking up from the financial services sector and what is the current scale of planned relocations from the city?

Sadiq Khan (Mayor of London): I have to be very careful because some of the things I am told are in confidence --

Caroline Pidgeon MBE AM: Yes, of course.

Sadiq Khan (Mayor of London): -- and we do not want to have a domino situation. I will talk about the stuff that is in the public domain. There was a report very recently from a consultancy firm which said that if there is a hard Brexit we would lose £10 billion in terms of tax revenues and 75,000 jobs just from the financial sector. I was at a CBI lunch two weeks ago where Carolyn Fairbairn [Director-General, CBI] made an excellent speech and made the point that we must have details of the transitional deal by, at the latest, the first quarter of next year. Otherwise, businesses that are members of the CBI and others will potentially make plans to leave. It is in the press now that Goldman Sachs has reserved a number of floors on a residential development in Frankfurt and has reserved spaces in schools for some of their staff in relation to plan B.

Here is a really scary thing: there is no reverse gear. Once a company decides to leave and reserves office space in Paris, Frankfurt or Brussels and is paying those location costs, they are not going to pay another location cost to come back to London.

That is why when Len [Duvall AM] asked me in relation to the next phase of discussions with [Rt. Hon] David Davis [MP] about the priority, it has to be transition arrangements and deals. That is why today and tomorrow are so important in relation to the European Council. If it is the case, for example, that we are not able to bear fruit with the European Council and we cannot give details on a transitional deal this side of Christmas, it is a problem for us, particularly in the financial sector. I will tell you why. If you are a bank which already has a presence in a city in Europe, you have a bit more lead-in time. If you do not have a presence in a city in Europe, you need at least a year to 18 months lead-in time to set up an office.

Caroline Pidgeon MBE AM: The steps you are taking to try to protect our financial centre and particularly -- in the conversations I had had over the conference season with people from the City, they were saying, "We need something by the end of this year. We cannot go any longer". Are you getting any sense from the Government as part of, I guess, the next stage of the trade deal that there may be some scope for much greater transition to really help some of these City firms so that they stay in London?

Sadiq Khan (Mayor of London): Can I just say this? I am not underplaying the role we have. It really boils down to the Government being able to give some assurance and certainty to these businesses. By the way, they read all the stuff we say in the media. They read what is happening in the high ranks of the Conservative Party. They will have seen today some people talking about just walking away if we cannot do a deal with the EU this week, which is not what we want. By the way, I don't think the Prime Minister is listening to those representations; the Prime Minister and her team get the reason why it is important. That is why you have seen a change. If you just analyse what our Government has said over the last few weeks, there has been progress made. The problem is that different people say different things --

Caroline Pidgeon MBE AM: From the Government, yes.

Sadiq Khan (Mayor of London): -- which these businesses see. We need some movement this side of Christmas. Those who are saying the first quarter next year are being optimistic. By the way, we have not discussed a deal on aviation and financial services. That is another worry that people have as well. Business leaders do not scaremonger. It is not in their interests. It could be alleged that we do it as politicians, but they do not need to because they are thinking about their businesses. At the end of the day, if you are the chief executive officer (CEO) or senior person in charge of a business, you are accountable to your shareholders and you are going to answer the question, "Why did you not plan for a contingency that was foreseeable, which is there being no traditional deal or it being a bad one?" That is why they are getting a bit nervous.

Caroline Pidgeon MBE AM: Thank you. What reassurances are you getting from the Government for London business and sectors that rely on low-skill and medium-skill occupations for them being able to continue to recruit from the EU at least in the short term?

Sadiq Khan (Mayor of London): The phrase we should use is 'lower-skill'. It is lower-skilled EU citizens who are in London from hospitality, accommodation, social care, admin, manufacturing, construction, a whole host of jobs being done. Roughly speaking, between a third and 40% are EU-born outside the UK.

The good news is that the Government is starting to make progress in relation to the guarantees to those who are already here. There are two tranches: those who are already here and those we need to still come because of the dynamic workforce. Unemployment rates, generally speaking, are quite low, but we still need to fill vacancies. There are so many unfilled vacancies across London, particularly in the lower-skilled jobs.

There are two things that should worry us. One is that we are not seeing people from the EU coming to fill those vacancies. By the way, there are not sufficient people unemployed – inverted commas – indigenous to fill those vacancies, either. People are not coming. Two: people are starting to leave. That should worry us.

So far, the Government has made no movement in relation to what happens post leaving the EU. The good news is that there has been some movement from the Prime Minister with the Facebook stuff overnight, which gives some reassurance, but not enough. This was June 2016; we are now in October 2017. You heard the evidence yourself from those, and so not enough, but there is some reassurance for those who are already here and nothing for those who we need to come in and stuff.

By the way, if we are going to grow more fruit or grow more food, anybody who understands anything about growing more food understands that actually it is lower-skill stuff done by EU citizens, mainly, and so ...

Caroline Pidgeon MBE AM: OK. There is nothing moved on that. The London Chamber of Commerce and the City of London [Corporation] have put forward this idea of a London visa. Is that concept off the table now? What kind of immigration policy are you pushing the Government for?

Sadiq Khan (Mayor of London): The London Chamber of Commerce, PwC and the City of London Corporation have done some excellent work in relation to regional visas or regional work permits. You can call them whatever you want. In the words of PwC, they call them ‘thought leadership papers’. They were trying to provoke thought and get this moving. They did some really good work. They looked at Canada and other parts of the world.

In my view, that is a plan B or C. We are not all there now, but the real prize is a national immigration system that understands what our needs are. Let me give you one example of why this is so important for us. The Government talks about immigration that is net tens of thousands. Let us say for argument’s sake that it is 99,999, tens of thousands. We take roughly 38% of net immigration and so we would get 38,000 net immigration on the new system. In just construction alone, we employ 300,000 in London. Half of those are UK-born. Up to 20% are retiring in the next five years in UK-born construction. Just construction would struggle badly with tens of thousands going forward and that is before we get into culture, tech, finance, social care, teaching and all the other areas.

That is why I cannot give you optimism in relation to the discussions I have had going forward. I do think [Rt. Hon] David Davis [MP] gets it. That is the first step in any--

Caroline Pidgeon MBE AM: Yes, absolutely.

Sadiq Khan (Mayor of London): You have to make sure that the person understands what your concerns are. He understands London’s concerns.

The two points I would make are these. We need it but also the referendum vote in London confirms we want it. That is a very important distinction from other parts of the country. I say this is in an unpatronising way. They need it but they do not want it and that is a discussion for them to have. I have not been focused on that. That is not for the Mayor of London. There is some overlap but it is not really my priority. In London, we want and need it. To be fair to [Rt. Hon] David Davis [MP], again, I have given him too much credit but credit where it is due. He gets the point. The points that we are making, [Sir] John Sorrell is making, Alice Gast is making, we have been making are landing.

Caroline Pidgeon MBE AM: It is reassuring to hear that you are having such constructive talks, just watching the news broadcasts, you just feel so depressed about this whole subject.

My final question to you is about that issue you are saying about UK-born workers. What support? What are you doing to fill that skills gap? If you have all these people retiring, it makes it even worse. What are you doing there?

Sadiq Khan (Mayor of London): You have touched upon a really important thing that we have to do as politicians, which is not give the impression - and I am not saying you are and you never do - that we must not redouble our efforts to skill up our own people. I say that in shorthand but you know what I mean.

My point is this. We have to make sure that we skill up Londoners for the jobs of tomorrow, but I am saying even though we have a construction academy, a digital pipeline, all the work we are doing with Skills for Londoners - some of it funded by the EU, by the way - we still need a dynamic EU workforce coming to London.

I make this point and you asked your first question about lower-skill workers. Actually, lots of the jobs we are talking about are lower-skilled and we have to recognise that even if every single unemployed Londoner who is not EU citizen was to do these lower-skilled jobs, even if they wanted to, there would still be vacancies. That is my point about a dynamic workforce. You have to separate EU people coming here from non-EU. There is a different discussion about how clunky non-EU immigration is and the problems around students, but you recognise that in London we need lower-skilled people doing these jobs. From our personal experience from buying a sandwich to going to a hotel to a whole host of issues, we know the huge role they play in helping our city tick over and helping our city become thriving and flourishing.

Caroline Pidgeon MBE AM: There are more medium-skilled jobs. You talked about construction but childcare and all those sorts of things are really propped up by EU citizens. Are you looking at putting in some specific programmes - whether it is through the London Economic Action Partnership (LEAP) or whatever - to try to target those groups?

Sadiq Khan (Mayor of London): Yes. The LEAP is doing lots of work around this. You will have heard yesterday of some of the work that has EU funding around enterprise, around lower-skilled, around getting people back to work, the skills agenda and stuff. The stuff we are doing around digital is also around this. Some of this stuff will not bear fruit for a while because there is - do not forget - an immediate need. Some of it will bear fruit pretty soon. However, that will not fill the massive gap which has been left by the Brexit discussions and Brexit ultimately.

Caroline Pidgeon MBE AM: Thank you very much.

Gareth Bacon AM (Deputy Chairman): Mr Mayor, we had a discussion yesterday with Alex [Conway, European Programmes Director, GLA], among others, about the ESIF. This is the - I was going to say 'scaremongering' session, but it is not really - scene-setting section. Which of your programmes would be most at risk if the Government did not replace the European structural funds to the same level they are at the moment?

Sadiq Khan (Mayor of London): There are a number of them. I can go through some of them for you. There are three big pots of money: the ESIF, the separate transnational fund Horizon 2020, and then separately the European Investment Bank.

As far as the ESIF is concerned, the big areas of spending in relation to that are around skills. I will give you a couple of examples. You heard of one yesterday - the Enfield project - and I will not go into that again. The British Fashion Council gets significant monies from the European Regional Development Fund (ERDF). Some of the energy efficiency work we are doing gets some money from the ERDF. The work we are doing in relation to training people and the Drive Forward Foundation gets money from the same pots of money. That gives you a flavour. Basically, think about it as employment, skills, enterprise and some of the low-carbon stuff.

Just to remind those who are not experts, a lot of this is match-funded by the Government and by us and so we should not assume --

Gareth Bacon AM (Deputy Chairman): We heard, yes.

Sadiq Khan (Mayor of London): It is money we put in and, again, we put it into a pot of money and we bid for some of it back and then we match-fund. It does lead to big differences.

Gareth Bacon AM (Deputy Chairman): The Government has said that it will replace it and the method for doing that is the UK Shared Prosperity Fund, but there is very little detail in the public domain around what that will mean and how it will work.

The match-funding thing is interesting because people will focus on the £500 million or thereabouts that we get from ESIF, but that is match-funded and so it is really £1 billion. If the *quid pro quo* for this is that we get only £500 million and not the match-funding, then you are down £500 million, which is not great.

In the context of your discussions with the Secretary of State - and I mean [Rt. Hon] David Davis [MP] when I say that - is that something you have touched on? Do you know more detail about that?

Sadiq Khan (Mayor of London): The detail of the UK Shared Prosperity Fund is sparse in public and it is sparse in private as well. The match-funding stuff is important, though.

Can I give you one specific example which is relevant to our discussions? On the Adult Education Budget (AEB), we have an MOU with the Government that they will be devolved to us in 2019/20. From the European Social Fund, we have £200 million we can use for skills, which is one of the reasons why we cannot afford to delay on the devolution because, if we do, we could lose the -- because it is match-funded, we would want to use £200 million from here and we would get £400 million. If we get this wrong and devolution does not happen, it means we lose £200 million. It is match-funded so we lose £400 million. We have not just lost £200 million.

Therefore, you are right to make that point on match-funding. The details are not there. That is why my criticism publicly is that we need details because the details are there for assurance. You heard yesterday some of your witnesses just needing that reassurance.

Just to remind people outside of London, unemployment rates in some parts of London are very high and deprivation rates in some parts of London are very high and so we need this money. I do not want people to think that we are the city of milk and honey where everything is hunky-dory. It is not. This money is needed to help Londoners fulfil their potential, get the skills and be good taxpayers.

Gareth Bacon AM (Deputy Chairman): Is this one of the subjects you have been pushing with the Secretary of State?

Sadiq Khan (Mayor of London): It has not been a specific agenda item but it has been an issue raised in general, raised in particular around the life sciences discussion. Life sciences levers in a lot of money from Europe in relation to not just Horizon 2020 and the Erasmus stuff but, as a city, we get the most money from some of that joint research funding stuff and we would be the biggest losers. In the first sector meeting we held on life sciences, it was a big issue there in relation to how we would be affected going forward.

The short answer - not in a flippant sense - from the Government is that in the short term, [Rt. Hon] Philip Hammond [MP] has guaranteed up until 2020, which is some reassurance. When it comes to some of the life sciences and R&D work, it is for three, four and five years and so goes over 2020, and they need to have some answers. If you are a talented scientist from any part of the world and you have come to London, you want to know you have funding for three years, for five years or for seven years. You are making life choices based upon this funding going forward. That uncertainty is causing huge problems in particular in life sciences. You were given other examples yesterday in relation to Enfield Enterprise. Those are shorter-term issues but for life science it is a big issue. There is no detail yet.

Gareth Bacon AM (Deputy Chairman): Is this something you will be pushing in future meetings with the Secretary of State?

Sadiq Khan (Mayor of London): Absolutely, yes.

Gareth Bacon AM (Deputy Chairman): Thank you, Chair.

Len Duvall AM (Chair): There was a congress of leaders [Leaders' Committee, London Councils] meeting last week, I believe. There were two items on the agenda, unconnected but connected. One was the devolvement of business rates and the other one was around the beginnings of a discussion about a strategy between you and London Councils. Would it be possible for us to have access to the papers, if we could?

Sadiq Khan (Mayor of London): Absolutely, yes.

Len Duvall AM (Chair): Thank you for that. One of the future issues came up in the discussions yesterday. It is not so much in terms of capacity for the LEAP but the changing nature of the challenges the LEAP faces in a post-Brexit agenda. I know that it will open up a geographical issue on whether we should have one LEAP or a number of LEAPs in London and I still think you can have devolvement even if there is one strategic LEAP in terms of the work carried out on the ground. Are there any initial discussions around looking at the role of the LEAP post-Brexit?

Sadiq Khan (Mayor of London): There was a review that was undertaken in relation to the London Enterprise Panel (LEP) before it became the LEAP. It leapt from a LEP to a LEAP. That review has been undertaken, not specifically thinking about Brexit or the consequences of Brexit. A lot of thought has been given to devolution.

Let me give you one example. One of the areas - depending on which time of day I am asked the question and depending on how glass-full I am - I am really excited by skills because of the devolution of adult education. Businesses are finally getting why it is important to train up Londoners. What is the biggest gripe that employers have? "People do not have the skills we need." Employees are up for it. Devolution of AEB, the

apprenticeship levy and Brexit make it very exciting, potentially, if we get it right in relation to skills in London and stuff.

The LEAP is already adept to do that. We have business representatives from small, medium and large employers. We have some people from the councils. We have people from different parts of London. The LEAP is in a good place to capture that.

People have not given specific thought in relation to the consequences of Brexit going forward. We realise it is around the corner with the caveat that we are not sure how long the transitional period will be. Let us say for argument's sake that it is three years or let us say it is two years or let us say four years. That means actually - I am not being complacent, by the way - we are now talking about 2021, 2022 and 2023, which gives us some more time to understand the detail because we have to plan. It is difficult to plan for something without knowing what is coming. A hard Brexit is something very different from access to single market to a deal with the EU. That is why it is a bit difficult.

However, we recognise the skills agenda is so crucial for us here. Caroline [Pidgeon MBE AM] and I were just talking about EU lower-skilled migration, but actually our future must be as a higher-skilled, higher-paid economy. There is no alternative. We cannot compete with some parts of the world in relation to lower-skilled, lower-paid jobs. That is before we get into automation and artificial intelligence (AI). We are doing work on automation and AI, by the way, and legal stuff because that is around the corner.

Len Duvall AM (Chair): I am not planning to ask any further questions around crime and security because we have covered that and you quite eloquently told us what your position is on that. We might comment further in a letter or an exchange of letters with you. Let us move on to the last ones about EU nationals.

Caroline Russell AM: This relates to an open-mic session we held in the summer when we heard really devastating testimony from people who are finding that they came here with trust, they made their lives here and they are suddenly facing a degree of uncertainty that is really very difficult for them. We heard about a mistrust now with EU citizens engaging with institutions like the National Health Service (NHS) or education because they are worried about how their data is going to be used and whether it is going to be used against them and whether it might mean that they are unable to stay. We heard about women falling through the gaps if they have been involved in part-time work because of caring responsibilities either for older people or for their children and finding that they are not qualifying for whatever the hoops are that they are expected to jump through. We heard from organisations that are trying to provide support, but there is such a lack of clarity about what the law will be and what hoops people will have to jump through in order to be able to stay here that it is very difficult for them to give advice.

We wrote you and we are grateful for your response, but I just wondered. We called on you to show further leadership in tackling these issues that EU nationals are facing living in our city. Do you agree that this further leadership is needed and, if so, what exactly will that involve?

Sadiq Khan (Mayor of London): Firstly, look, I have read the transcripts of the session you had and it is often very difficult to get emotion from a transcript but the emotion was there from the transcript. I particularly was upset by some of the open-mic sessions, which were deeply upsetting. These are people. These are our neighbours. These are our friends and members of our families.

You could sense this, though, if we are honest, from 24 June last year. People who had been here for years and years felt this was an attack on them. They took it personally. That is aside from the rise in hate crime. I

have tried since 24 June [2016] to provide that leadership saying that London is open, thanking Londoners who are EU citizens for their contributions, saying they will always be welcome here. Of course, we can always do more and I have tried to do more.

I say this, Caroline [Russell AM]. I have looked at other leaders around the country and at what others have done. If there are ideas I can pinch, I am happy to pinch, but I say this with humility. Nobody has done more than I have to try to reassure these EU citizens that this is their home and that we value them. They help us be the greatest city in the world. We do not want that to change. What they need, though, and what they are asking me for is to put pressure on the Prime Minister to give them the assurance I cannot give and to ask the Government to give them the certainty I cannot give. That is why I welcome - although it has not gone far enough - what the Prime Minister did overnight in relation to Facebook and the post she made.

The reality is that people are making life choices. I have spoken to managers on construction sites who tell me that some of their teams have left and gone back to countries of origin because they would rather be - in inverted commas - the first ones back before the rush begins. I have been told that they cannot fill vacancies because people are not arriving. I have heard some of the stories we have heard about mortgages not being able to be gotten or people making life choices about applying for passports for other EU countries. This is happening now and we are now in October 2017.

I am happy, and I hope my response was taken in that spirit, I am very happy to receive your ideas and I will carry on doing whatever I can to make these Londoners feel welcome.

Caroline Russell AM: All of the stuff that you are doing to lobby the Government to provide people with certainty is incredibly valuable, but people need concrete help here in London right now. They need access to advice. They need more support. After the Citizenship and Integration Initiative, which was set up in April [2017], I just wonder whether there is more that you could be doing for these Londoners in terms of helping to make sure that people do have access to the advice of the most up-to-date situation in terms of what they need. Is there anything else you can do on that?

Sadiq Khan (Mayor of London): There are more things we are doing. We are working with London Councils in relation to the Strategic Migration Partnership. You talked about the new initiative we have set up, the Citizenship and Integration Initiative, working closely with London citizens in relation to that. Some of the pieces of work we are doing are in relation to policing to make sure that every borough now has a hate crime liaison officer, which is really important. We have separately set up the online hate crime database. We are happy to receive ideas in relation to what things we can do and we will carry on doing more.

However, all these things are a plaster on what is a big issue, which is the lack of certainty that people have about their futures. That is why it is crucial and that is why I welcome what the EU did. The EU said that one of the first things that has to be resolved as a matter of urgency is the rights of EU citizens. By the way, that includes British citizens in the EU --

Caroline Pidgeon MBE AM: Yes, absolutely.

Sadiq Khan (Mayor of London): -- and also EU citizens who are here and I welcome that. That is why I welcomed the move by the Prime Minister in October 2017 to give some reassurance. It is not the cast-iron guarantee I have been calling for.

Caroline Russell AM: Specifically around hate crime, can you give us any update on resource or advice centres that could be provided here in London?

Sadiq Khan (Mayor of London): The key thing is to give people the confidence to report when they have been a victim of hate crime, not to think that anything is too trivial to report. Let the police determine whether it is a crime or not. By the way, a crime is a crime whether it is done online or whether it is done face-to-face. That is why the online crime hub is very important.

We have to build confidence in these communities. A lot of these communities - our communities - do not have the confidence to report things to the police or people in positions of power. Can we encourage third-party reporting? We are trying to do that as well. How the British Transport Police and Transport for London (TfL) respond is very important and the NHS response. It is trying to educate those who are meeting citizens on how to deal with people who report hate crime.

The good news is that the spike we saw after the referendum - and there are other hate crimes we see after terrorist attacks - has come down. We are better at addressing people's concerns. People do have a sense of belonging in London. People still love living here. We just have to make sure we are not complacent.

Caroline Russell AM: Thank you.

Gareth Bacon AM (Deputy Chairman): Thank you, Mr Mayor. You talked about the Prime Minister's Facebook page, which I have read. I have it in front of me. You welcome it, but say it does not go far enough. What is missing? What would you have liked her to say in addition to what she did say?

Sadiq Khan (Mayor of London): First, it is October 2017 and some people have had this uncertainty caused by the delay --

Gareth Bacon AM (Deputy Chairman): I take your point, but what is missing from the statement that you would want on top of what she said?

Sadiq Khan (Mayor of London): A cast-iron guarantee they will have the same rights in the future as they have now. What happens to those who have come since June 2016?

Gareth Bacon AM (Deputy Chairman): What she said is:

"I could not be clearer. EU citizens living lawfully in the UK today will be able to stay. This agreement will not only provide certainty about residents but also healthcare, pensions and other benefits."

Sadiq Khan (Mayor of London): Yes. What happens to those who came post June 2016? What happens to those who --

Gareth Bacon AM (Deputy Chairman): What she said is, "EU citizens living lawfully in the UK today", October 2017, "will be able to stay", so that would apply to those who have come since the referendum.

Sadiq Khan (Mayor of London): Somebody who comes tomorrow? Say somebody here is in love with somebody and arrived last week but the partner they are in love with comes next week.

Gareth Bacon AM (Deputy Chairman): That is the bit that is missing?

Sadiq Khan (Mayor of London): I can send you a list of the concerns I have with her statement. The point is that I welcome it but it does not go far enough. What there should be is a cast-iron guarantee that everyone who -- it depends what day you use. In my view, use a date at the end of the transition. Everyone who is here before the end of the transition has the same rights they had before June 2016. It is really important that they are given a cast-iron guarantee on a whole host of issues. You mentioned health in relation to the particular issues. What about family reunion? What about people who are here but their partner or family or others are in other parts of the EU? There is a whole host of issues that are not addressed by that. If the Prime Minister were to say today, "I gave a cast-iron guarantee that every EU citizen in our country who was here before the end of the transition period will have the same rights they had before June 2016", people would be reassured.

Len Duvall AM (Chair): Can I thank you, Mayor, for the way that you have answered our questions? Is there anything else you want to say to us that you think that we have not quite covered or done justice to in terms of the issues that you have taken today?

Sadiq Khan (Mayor of London): The final point I would make is this, Chair. First of all, thank you for having me here and for the way we have spent the last hour.

No one has ever done this before: leaving the EU, reaching a deal with the EU, having a changing relationship with the EU. We are all learning along the process and stuff. If there are things I could be doing better, I am really happy to take advice from the Assembly. If there are things that you think we have not thought of, do not hesitate to let me know, whether it is Caroline's [Russell AM] advice in relation to how we make EU citizens feel more welcome.

Similarly, we have to put more pressure on the Government. It is the point that Gareth [Bacon AM] raised in relation to devolution going forward. This is an opportunity for us and so we are literally writing the rulebook. I am really happy to be tutored. We have to have that spirit of working together because we will kick ourselves if a deal is done and it is not good for London. That is not good for our country.

Len Duvall AM (Chair): Thank you very much for that. I hesitate in terms of being amongst different political opinions around the table, but I think we are very reassured by the dialogue that you are having with [Rt. Hon] David Davis [MP] and the way that you have explained that to us and the issues that you are picking up. Of course, there are issues that we will write to you about if we feel that we just want to make sure whether you are doing it either to reinforce what you are doing or to suggest some other alternatives.

Thank you very much for your time today. We will schedule another time that will be appropriate. If you feel there is something you want to come back to address us on then you can say. It is two ways.

Sadiq Khan (Mayor of London): I did have one suggestion, Chair. Even if he is not going to come back, whether you invite [Rt. Hon] David Davis [MP] or somebody else from the Government, just to ask the questions you have asked to me, because it would be interesting to hear their views in relation to the discussions and negotiations and what London can get out of it.

Len Duvall AM (Chair): Thank you. Very helpful. Thank you very much.