



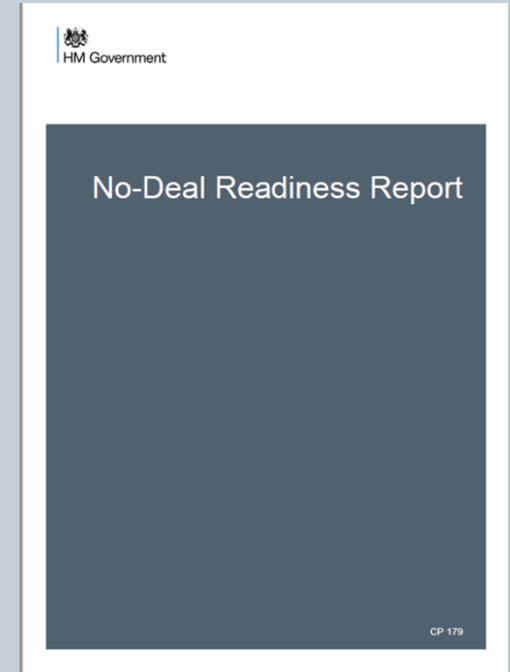
# Impact of BREXIT & support to businesses

**ALAN SMITH – HEAD OF ECONOMIC  
GROWTH**

**19 NOVEMBER 2019  
REGENERATION & HOUSING SCRUTINY  
COMMITTEE**

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# Terminology



**Deal** = “Withdrawal agreement” providing a framework (i.e. an implementation period) for UK future relationship with EU

**No Deal** = No “withdrawal agreement” so UK has no period to adapt to the new relationship, so reverting to World Trade Organisation terms

*“If the UK leaves the EU without a Withdrawal Agreement, it will be a third country, trading on WTO terms.”*

(HM Govt “No-Deal Readiness “ report, Oct 19)

# Ground Rules

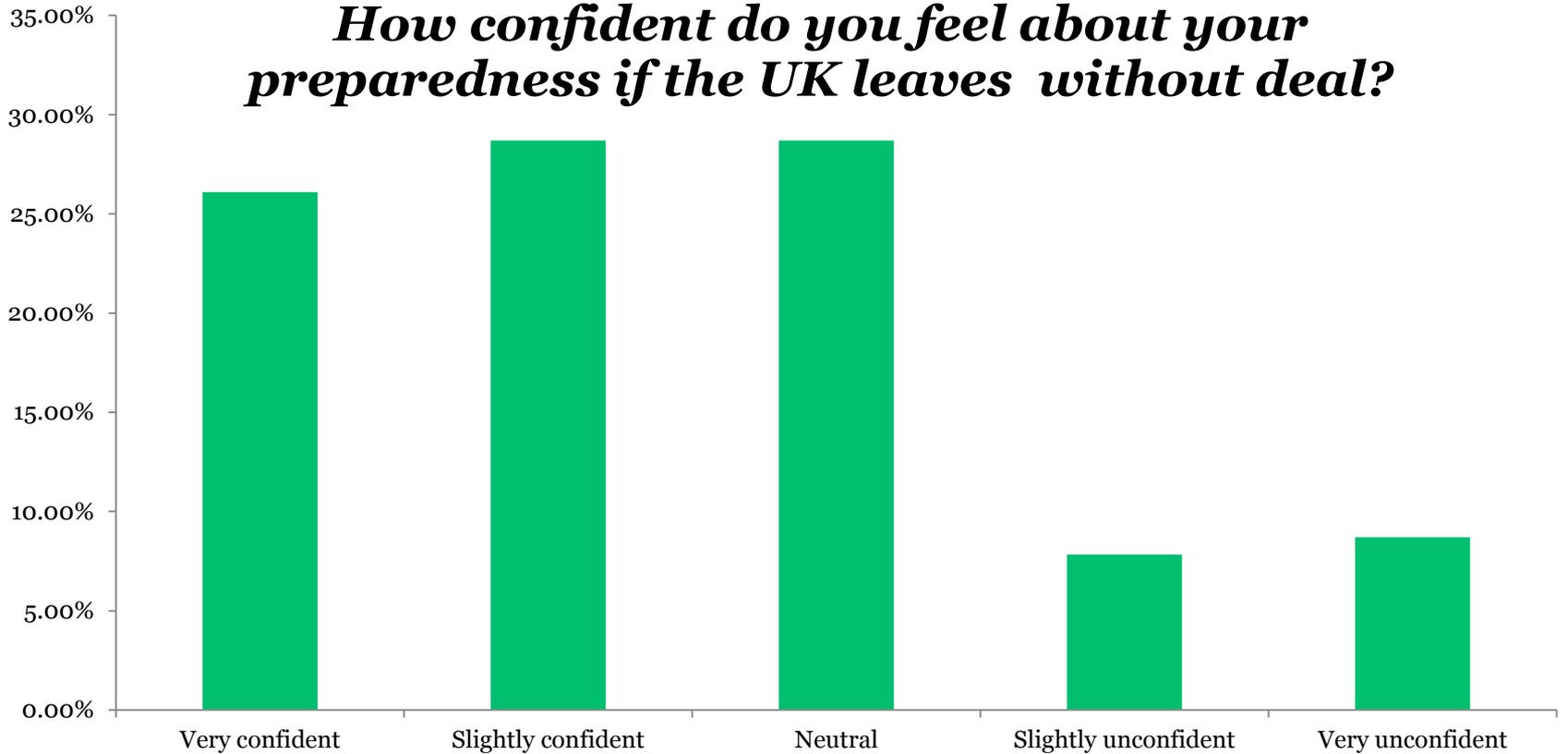


- Attempting to be apolitical
- Reporting secondary research as accurately as possible
- Citing my perception of key bits of documents
- Not time and space to comment on implications of “Deal” or “No Deal”

# What are E Mids Businesses Saying?



***How confident do you feel about your preparedness if the UK leaves without deal?***

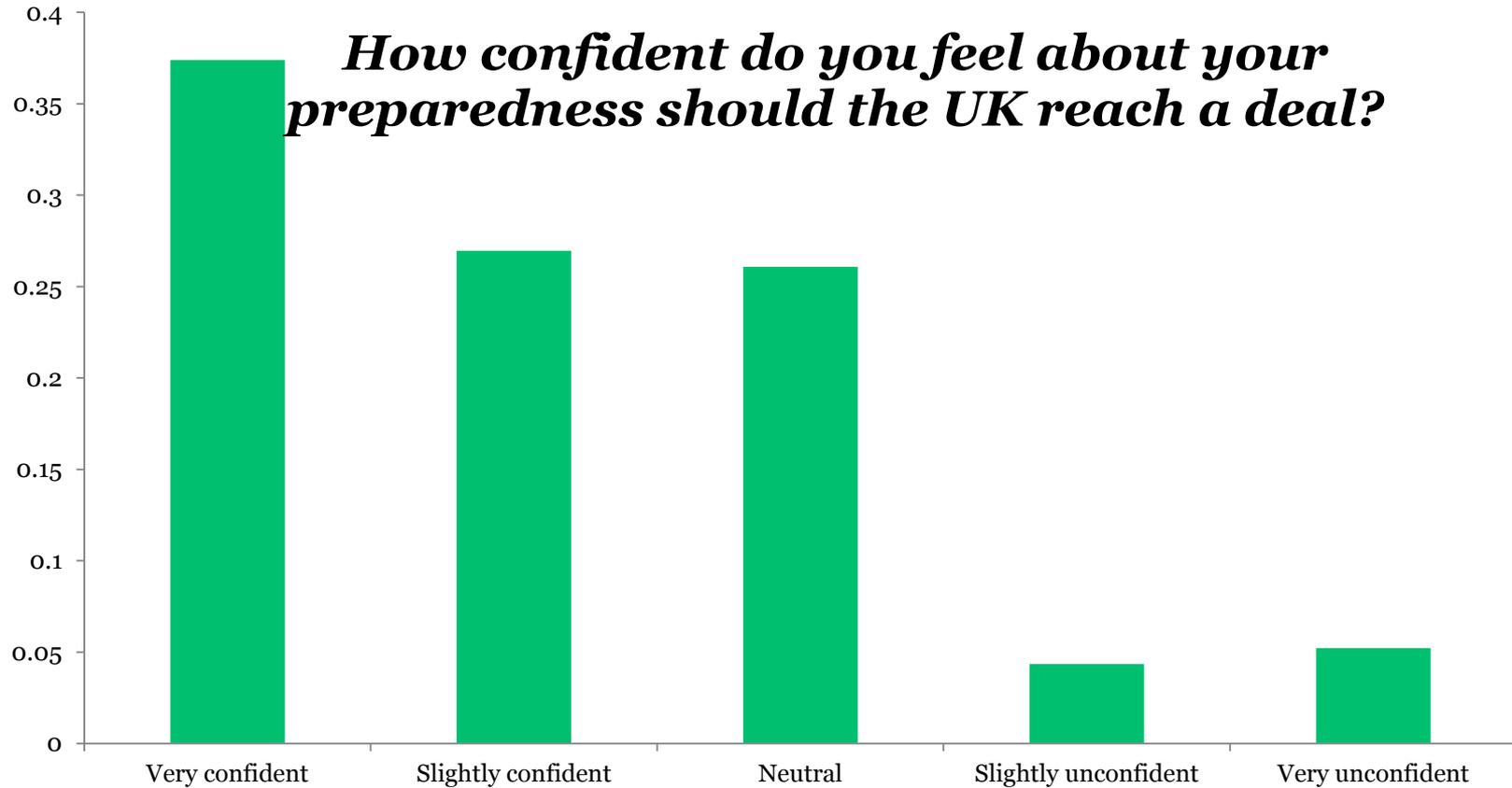


Your Chamber

The go to place for answers in business



# What are E Mids Businesses Saying?



Your Chamber

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# What are E Mids Businesses Saying?



Which areas associated with Brexit would you like to see more support/information around for a business like yours (please tick all that apply)?

Answer Choices	Responses
<b>Workforce</b> (e.g. skills needs, labour planning)	<b>28.72%</b>
<b>Cross border trade</b> (e.g. customs procedures, supply-chain management, tariffs, classifications)	<b>51.06%</b>
<b>Taxation/Insurance</b>	<b>24.47%</b>
<b>Currency/Intellectual Property/Contract</b> (e.g. regulatory agencies you work with, domain names, current contractual arrangements)	<b>26.60%</b>
<b>Future of funded contracts</b>	<b>22.34%</b>
<b>Risk Management and strategic planning</b>	<b>36.17%</b>

# What are Local Businesses Saying?



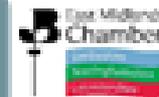
## UK Markets – Derbyshire businesses

BUSINESSES INVOLVED IN THE UK MARKET	Q3 '19	Q2 '19
Over the past 3 months, sales/custom/bookings have:		
Improved	27	35
Remained same	36	45
Worsened	36	20
Net	-9%	15%
Over the past 3 months, orders/advance custom/bookings have:		
Improved	28	24
Remained same	42	54
Worsened	31	22
Net	-3%	2%

- The UK market performance in Derbyshire was very poor, dropping to negative territory for the first time since these figures have been collated
- The figures were much weaker here than the rest of the region

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# What are Local Businesses Saying?



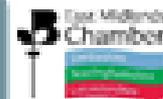
## Growing concerns

Which factors are more of a concern than 3 months ago:	Q3 '19	Q2 '19
Interest rates	8%	11%
Business rates	23%	22%
Competition	38%	54%
Exchange rates	46%	32%
Inflation	23%	23%
Corporate taxation	16%	13%
Access to skills	46%	45%

- As the global market remains uncertain, exchange rates was the biggest growing concern for respondents

Your Chamber

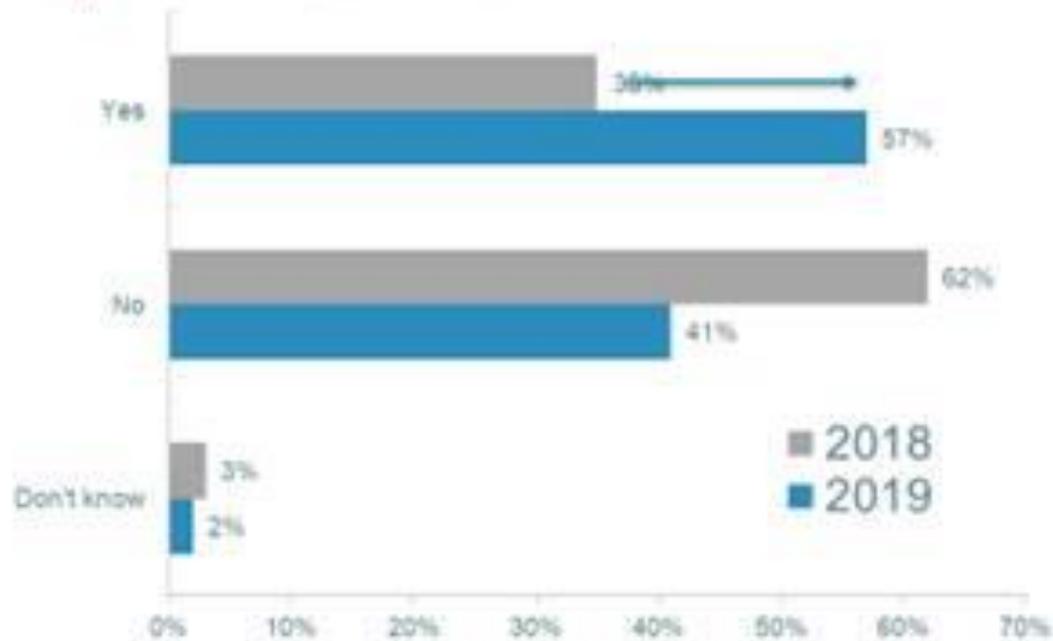
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# Proportion of Businesses with Risk Assessment



**Proportion of businesses who carried out a risk assessment on the impact of Brexit, 2018 vs 2019**



(a) The UK is scheduled to leave the European Union on 31 October 2019. Has your business carried out a risk assessment on the impact of Brexit to your business?

BASE: (Total N = 100) (2018 N = 121) (2019 N = 357)

International Trade Survey 2019

# What we are working with?



- Received share of £77m UK Govt fund helping “local areas in England prepare for Brexit” = **£315,000 for Derby** but .....
- *“Leaving without a deal may affect local authorities due to some regulatory changes, and would require that local authorities provide further support to business. Local authorities and Local Resilience Forums would have a role in helping local residents, businesses, other parts of the public sector and contractors such as care providers to respond to local impacts.”*
- *“The Government will ensure that UK beneficiaries of EU programmes continue to receive funding in accordance with the HMG Guarantee.”*

HM Govt “No-Deal Readiness Report”, Oct 2019

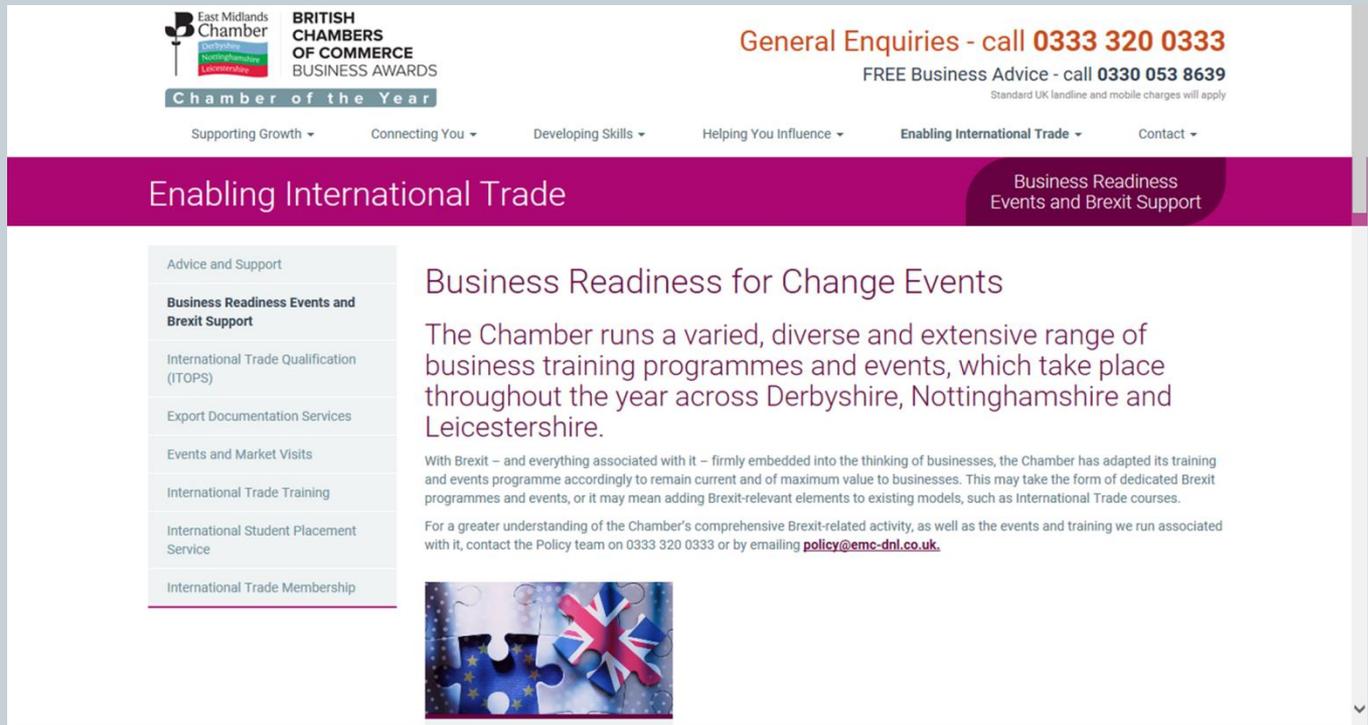
# What the Council is doing?



- DCC Readiness Group and Lead Officer in place
- Collaborating with partners through the Local Resilience Forum
- Prioritising and mitigating internal risks / impacts
- Signposting EU nationals to settlement scheme
- Weekly reports to HMG

# What the Council is doing? 2.

- Highlighting regional events to >7,000 SMEs



The screenshot shows the website for the East Midlands Chamber, which is a member of the British Chambers of Commerce. The page is titled 'Enabling International Trade' and features a sidebar menu with the following items: Advice and Support, Business Readiness Events and Brexit Support (highlighted), International Trade Qualification (ITOPS), Export Documentation Services, Events and Market Visits, International Trade Training, International Student Placement Service, and International Trade Membership. The main content area is titled 'Business Readiness for Change Events' and contains the following text:

General Enquiries - call **0333 320 0333**  
FREE Business Advice - call **0330 053 8639**  
Standard UK landline and mobile charges will apply

Supporting Growth ▾ Connecting You ▾ Developing Skills ▾ Helping You Influence ▾ Enabling International Trade ▾ Contact ▾

## Enabling International Trade

Business Readiness Events and Brexit Support

### Business Readiness for Change Events

The Chamber runs a varied, diverse and extensive range of business training programmes and events, which take place throughout the year across Derbyshire, Nottinghamshire and Leicestershire.

With Brexit – and everything associated with it – firmly embedded into the thinking of businesses, the Chamber has adapted its training and events programme accordingly to remain current and of maximum value to businesses. This may take the form of dedicated Brexit programmes and events, or it may mean adding Brexit-relevant elements to existing models, such as International Trade courses.

For a greater understanding of the Chamber's comprehensive Brexit-related activity, as well as the events and training we run associated with it, contact the Policy team on 0333 320 0333 or by emailing [policy@emc-dnl.co.uk](mailto:policy@emc-dnl.co.uk).



e.g. Managing Cross-Border Trade – Customs Declarations – Feb'20

# What the Council is doing? 3.



- **Signposting to D2N2 initiatives:**
  - Brexit info, diagnostic & brokerage service at D2N2 Growth Hub (to Mar'20)
  - LEP/Growth Hub “Business Intelligence Gathering” via phone survey
  - Brexit Cluster Funding- £193k shared between 3 E Mids Growth Hubs to support businesses e.g. EU Exit Diagnostic & Action Plans or Risk Management support
  - Brexit Readiness events (20 events leading up to 21 Oct deadline) ... Watch this space

# What the Council is doing? 4.



- Sign-posting to Gov.uk Toolkits:  
[www.gov.uk/get-ready-brexit-check](http://www.gov.uk/get-ready-brexit-check)

The screenshot shows the Gov.uk website interface. At the top, there is a black navigation bar with the 'GOV.UK' logo on the left and a search bar on the right. Below the navigation bar, the breadcrumb 'Home > Brexit' is visible. The main heading is 'Brexit: check what you need to do if there is no deal'. The page content includes a paragraph explaining that if the UK leaves the EU with no deal, there will be changes affecting living, working, and business. A 'Start now' button is prominently displayed. To the right, there is a 'Brexit' section with a link to 'Check what you need to do'. Below this, a 'More information' section states that a Brexit deal has been agreed in principle with the EU, and both the UK and the EU need to approve and sign the withdrawal agreement.

**GOV.UK** Search

Home > Brexit

## Brexit: check what you need to do if there is no deal

If the UK leaves the EU with no deal, there will be changes that affect you, your family or your business. This includes new rules on living, working, travelling and doing business in the UK and EU.

If you answer a few questions, we can show you what you, your family and your business can do now to prepare for a no deal Brexit.

**Start now**

**Brexit**  
[Check what you need to do](#)

**More information**

A Brexit deal has been agreed in principle with the EU.

Both the UK and the EU need to approve and sign the withdrawal agreement. They will then start to negotiate new arrangements. There would be a transition period to prepare for new rules.

# What the Council is doing? 5.



## • Signposting to No-Deal Guidance Dashboard:

### NO-DEAL GUIDANCE DASHBOARD - SEPTEMBER 2019

The UK Government has advised firms to prepare for a 'no-deal' exit from the European Union. In order to plan for that unwelcome possibility, firms of all sizes and sectors need to understand exactly what conditions they will face and how to prepare their operations to be ready for day one of the UK's departure. The British Chambers of Commerce has evaluated the quality of official guidance to assess whether it provides sufficiently clear, complete, visible, timely and actionable information which businesses can use to prepare for change. This is not an assessment of the impact of a no-deal exit, or a judgement on the desirability of the policy change in each case. It is an assessment of whether businesses can act on the basis of the guidance available.

With just weeks to go until the October 31<sup>st</sup> deadline, BCC has compiled the 36 questions most frequently raised by companies. Only 5 are marked green - the top rating for available information based on our quality criteria, 10 are red - indicating no information at all on which to plan, and 21 are amber - indicating that some information is available but there remain gaps and / or other quality issues to address.

CATEGORY	ISSUE	IN THE EVENT OF A NO-DEAL EXIT...	RAG
PEOPLE	ACCESS TO EU WORKFORCE	Will I be able to hire EU nationals in future and under what conditions?	Amber
	BUSINESS TRAVEL	Will business travel between the UK and the EU involve further administration, cost and visas?	Green
		Will staff spending longer than 90 out of 180 days in the EU be subject to further administration, costs or visas?	Amber
	STAFF TRANSFERS	Will my business be able to move skilled staff members between the UK and the EU after Brexit?	Red
FUNDING	EUROPEAN INVESTMENT BANK	Will UK projects be eligible for support from the EIB after Brexit?	Amber
	EU FUNDING	What will happen to committed EU funding in the event of no-deal? Will my company still be able to draw down cash?	Green
		How will the UK replacement for EU funds (UK Shared Prosperity Fund) work? How can my company access opportunities?	Red
TAX	IMPORT VAT	Will I need to pay VAT on goods at the point of import? Will I be able to use postponed accounting and have access to more generous deferment account terms to offset the cash flow issues?	Green
	SERVICES VAT	Will I need to become VAT registered in every EU member state where my firm has clients?	Amber
REGULATION AND CONTRACT FULFILLMENT	REGULATORY AGENCIES	Which regulator will be overseeing my business in the future, and what rules do I need to follow? Is the UK Government going to charge businesses for the creation of new regulatory agencies in the UK?	Amber
	NOTIFIED BODIES AND CONFORMITY ASSESSMENTS	Will conformity assessments on products conducted by a UK body continue to be sufficient for the product to be sold on the EU market? What happens to products placed on the EU market before Brexit? What happens to conformity assessment certificates issued before Brexit by a UK Notified Body? How do I transfer my certificate to an EU Notified Body?	Amber
	INDUSTRIAL STANDARDS	What industrial standards will my firm need to comply with in the future? Will the UK have a seat at the table to influence European standards (as is currently the case)?	Amber
	ECOMMERCE	If the UK loses 'Country of Origin Principle' (contained in the eCommerce Directive), will there be additional obligations for my business when selling to buyers in EEA states?	Amber
	ACCOUNTING	Will my business need to comply with new accounting and reporting requirements?	Green
	CERTIFICATION MARKS	Will my business need to use different certification marks on products?	Amber



# What is the Council is doing? 6.



- Other:
  1. DEGF ([www.derby.gov.uk/degf/](http://www.derby.gov.uk/degf/))
  2. Small Business Saturday
  3. Inward Investment
  4. Connect Derby
  5. Plans for an Incubation & Scale-up programme
  6. Sign-posting to seminars & training courses e.g. HMRC importer & exporter event, Dec 19

# Questions or Recommendations?



Thank you

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