

## **GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP**

Date: 16<sup>th</sup> September 2019

Subject: Greater Manchester Brexit Preparedness Update

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### **PURPOSE OF REPORT:**

To provide an update on the preparations underway across Greater Manchester for Brexit, and considering possible mitigating actions to minimise the impact should the UK exit the EU without a deal.

### **RECOMMENDATION:**

That LEP Members note the activity underway to prepare Greater Manchester for Brexit.

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## **1. INTRODUCTION**

- 1.1 The UK is due to leave the EU on 31<sup>st</sup> October. The Prime Minister has vowed to leave on the 31<sup>st</sup> October “come what may”. The Government is however facing significant opposition to their current approach and, at the time of writing, the national situation remains extremely uncertain.

## **2. GM BREXIT PREPAREDNESS**

- 2.1 A small amount of funding has been awarded to Local Authorities, Local Resilience Forum and the Combined Authority to support Brexit readiness Agencies from across Greater Manchester have been meeting monthly to consider possible impacts arising from Brexit and to ensure appropriate preparatory actions are being taken. Those meetings of the GM Brexit Preparedness Group have now been increased in frequency to fortnightly as we near Brexit day. The membership of the Brexit Preparedness Group includes: GMCA, Local Authority representation, AGMA Resilience Unit, GMP, Growth Company, TfGM, NHS, GMCVO and Manchester Airport.
- 2.2 As part of the national preparations for EU exit, each Local Authority and Combined Authority has nominated a Brexit Lead Officer. In Greater Manchester we are bringing together these Lead Officers to ensure coordination of activity and consistency in approaches across GM. The district Brexit Lead Officers have joined the wider GM Brexit Preparedness Group.
- 2.3 In recognition of the potential for short and longer term economic impacts from the on-going uncertainty and potential no deal exit from the EU, a multi-agency Economic Resilience Taskforce has been established, bringing together key GM bodies to try to ensure a coherent and comprehensive package of support as possible is provided to businesses and individuals facing any threat of redundancy should we exit under a no deal scenario or an economic downturn occurs. The membership of the taskforce includes, GMCA and Local Authority representation, the Growth Company, Jobcentre Plus, the Cities & Local Growth Unit, Business representative organisations (including the GM Chamber of Commerce and FSB), GMCVO, Citizens Advice and Trade Union representatives.
- 2.4 To support and inform the work of the Economic Resilience Taskforce, a dashboard of leading indicators is being developed, to track how the national and GM economy is performing, in order to identify any possible economic shocks as early as possible. The Taskforce (and dashboard) are considering arising impacts in terms of overall economic resilience; business & sector impacts; and, impacts on GM residents. The draft dashboard is currently under development and will be shared as soon as it is completed.

## **3. BREXIT BUSINESS SUPPORT**

3.1 In response to the evolving Brexit environment the Business Growth Hub will be delivering a series of 9 Brexit events aimed at 50-80 delegates each across Greater Manchester. These events will be hosted jointly with Local Authorities and with specialist partners and BGH staff presenting on the business support available to deal with the potential effects of Brexit. Two events are currently being finalised and will be open for registration during the week commencing the 2 September. In addition the Business Growth Hub is providing:

- Monthly 'podcast' updates to the LA economic development teams – 10 minute updates on the business support and any changes in the info that may have an impact in SMEs
- Monthly blogs issued – on key topics such as EU Settlement Status, retaining EU talent and supply chain issues.
- Weekly Brexit news updates onto GC Business Growth Hub Brexit Website
- Updates via Social media

3.2 Advisory staff will also be up skilled during the beginning of October with Advisor briefing sessions and will also be supported with suitable assets and tools.

3.3 The Growth Company are also working with partners to improve real time information available on companies at risk, and are aware of the need to adapt and flex services in response to changing business needs.

3.4 The Business Growth Hub also continues to work with GM Membership Organisations meeting regularly to share intelligence and track changes in business. As part of this the GC Business Growth Hub has continued to survey and work with businesses to identify those potentially affected by Brexit. Ongoing survey work shows over the last 12 months:

- Of the 1,848 businesses surveyed between 30/8/18 and 30/8/19, 33% don't know yet if Brexit would have an impact; 35% remained neutral; and 23% reporting a negative impact. Only 9% of businesses stated that the announcement of Brexit has had a positive overall impact on their organisation.
- In this same survey, 11% of businesses did not yet know if they would require support; 12% of businesses required business support; and 77% indicated that they did not require support.
- In addition, 3% of businesses froze on hiring new staff members, whilst 65% continued to hire at the same pace.
- Of the 1,848, 27% reported to have business links with Europe (19% importing and exporting).

3.5 In the last 3 months survey statistics show little change, although there has been an increase in the number of businesses unsure about the impact of Brexit and businesses freezing recruitment:

- Of the 173 businesses surveyed in the last 3 months, 44% don't know yet if Brexit would have an impact; 28% remained neutral; 20% indicated a

negative impact; whilst 8% of businesses stated that the announcement of Brexit has had a positive overall impact on their organisation.

- In this same survey, 20% of businesses required business support; 70% did not require support; and 10% do not know yet.
- The number of businesses freezing recruitment of new staff members rose to 5%, whilst 60% continued to hire at the same pace.
- Of the 173, 43% reported to have businesses links with Europe (28% importing and exporting).

3.6 In terms of future funding, Government has announced its intention that a UK Shared Prosperity Fund will be put in place following the UK's anticipated withdrawal from EU Structural Funds. EU Structural Funds have been a key source of locally-responsive funding for regeneration, economic development, and skills and work activity across GM over recent decades. An announcement on the design and implementation timeline for the UK Shared Prosperity Fund has been expected for some time and it was anticipated that Government would make an announcement in the September Spending Round. However, no formal announcement was made which creates a risk that there will be delays to the Fund coming on stream.

#### 4. GM BREXIT PREPAREDNESS

4.1 Wider preparations are being led by the GM Brexit Readiness Group and the Local Resilience Forum. Preparations are underway or being considered in the following areas:

- **Borders** – Manchester Airport is liaising directly with Government, as a point of entry to the UK. Assurances have been received regarding ongoing airport operations for both passengers and freight. Port Salford and City Airport are not considered points of entry to the UK.
- **Transport & Infrastructure** - Assessments are ongoing to ensure transport and infrastructure projects continue. A register of major infrastructure projects (over £10m) across GM is being compiled; along with an assessment of the risks potentially posed to their delivery.
- **Health & Social Care** – Preparations for the health sector is being led nationally by NHS England and Department for Health. There has been no requirement for local NHS to stockpile any medicines or medical supplies. The reliance on EU workers in the health & social care sector is a particular risk. Work has been undertaken to support health and care workers to complete the EU settlement scheme. As preparations ramp up towards October, local agencies will again engage and align with the national model.
- **Food, Water & Energy** - Activity will be led by the Local Resilience Forum, liaising with national government as required. Specific shortages

are not anticipated, regular liaison with the relevant Government departments are underway.

- **Engagement with Government** - Regular reporting requirements to Government are expected to increase in volume and frequency as Brexit day nears. The Local Resilience Forum and members of the Brexit Readiness Group are engaging with the relevant departments and ensuring information requests are dealt with in a coordinated and timely manner. Engagement across working groups, analysis of impact data released, and direct departmental requests for information and local Brexit planning information have been undertaken.
- **Civil Contingencies** - Work has been undertaken to understand possible impacts on current and future risk scenarios, in both the short and medium terms. Scenario based planning exercises have taken place, and the Local Resilience Forum continues to consider possible impacts arising. Further events will be delivered to test future risk scenarios. Also, work has been delivered to ensure agencies have in place up to date and robust business continuity plans.
- **Higher Education Sector** - Work has been undertaken to understand the possible impacts on the numbers of EU students and lecturers. Early testing of the EU settlement scheme was used in the sector and support continues to be provided to ensure EU citizens apply for settled status. Assurances continue to be sought from Government for future EU research funding.
- **Organisational Readiness & Impacts** – Public sector organisations have been considering the possible impacts on their own operations arising from Brexit, including workforce and legal implications. As Brexit day nears, organisations have expressed concerns regarding potential capacity issues to meet the necessary reporting requirements and take the appropriate actions required. All districts and GMCA now have signposting information on their websites to support EU citizens resident in their area.
- **Data** - Under a no-deal scenario, the flow and transfer of personal data may be impacted. Information has been shared with public sector agencies to ensure all are undertaking the necessary preparations and advice is being passed onto businesses to ensure they can put in place any necessary mitigating actions.

## 5. RECOMMENDATION

5.1 That LEP Members note the activity underway to prepare Greater Manchester for Brexit.