

City of Wolverhampton Council Scrutiny Board

Date (11th September 2018)

Black Country LEP Brexit Group Outline & Update

1. Purpose of Report

- 1.1. To summarise the work of the Black Country LEP Brexit Group so far and to outline future activity.

2. Recommendation (s)

- 2.1. For the Scrutiny Board to note & comment on the existing work of the LEP's Brexit Group.

3. Report Detail

- 3.1. A Black Country LEP Brexit Group was setup in August 2017 with the ambition to understand the threats and opportunities of Brexit from a Black Country business perspective. In the last 12 months, the group has held detailed consultation with local businesses and, in partnership with the Black Country Chamber of Commerce, submitted a document to the Secretary of State for Business, Energy and Industrial Strategy (BEIS) in January 2018, outlining our business-led policy priorities for the post-Brexit period. The group has had a fluid membership structure but has included discussions with up to 20 business individuals in total from strategically important firms. Two LEP Board members and two LEP officials led the consultation meetings.
- 3.2. Business insight from 2017 consultation was collated and built into a set of eight clear Brexit 'asks' of government from the Black Country business base:
 - 3.2.1. **1)** Clarify your expectations of future trading relationships and trading conditions, allowing businesses the ability to plan for a successful future.
 - 3.2.2. **2)** Give greater practical support from government resources (e.g. BEIS personnel) to the Black Country, supercharging business support for opportunities post-Brexit. Strong, powerful guidance is needed at sufficient scale to steer us to success, ensuring we produce a significant return on investment and can fulfil our ambitious targets locally.
 - 3.2.3. **3)** Minimise the impact of non-tariff barriers and logistical delays via a smooth customs arrangement with the EU, making resources available to clarify and demonstrate any enforced change to the current state.
 - 3.2.4. **4)** Revamp and expand the role of DIT within local economies to reverse a lack of confidence in exporting worldwide. Through modernisation, the bulking up of resources, and quality improvements, DIT should assist all efforts by businesses to export their goods and services.

- 3.2.5. **5)** Provide guarantees on the equal rights of EU labour in the UK, both assuring EU citizens of their valuable place in our society, and satisfying employers of continued access to workers.
 - 3.2.6. **6)** For when the supply of a permanent vacancy clearly meets the demand of a non-UK worker, develop a more seamless system for employers to recruit from overseas. In particular: Improve the ease and efficiency of application processes; Improve the connection between UKVI and employers (e.g. through an online portal); Re-visit the need of the Shortage Occupation List, ensuring it reflects the needs of industry.
 - 3.2.7. **7)** Announce further detail on the replacement of EU funds post-Brexit, taking this opportunity to create a more flexible and less bureaucratic system which is easy for firms to access.
 - 3.2.8. **8)** Develop a strategic focus on building a stronger domestic workforce and on driving the growth of re-shoring, helping the Black Country combat against the threats, and embrace the opportunities, of Brexit.
- 3.3. These were sent within a written statement directly to Greg Clark MP, the Secretary of State for BEIS, alongside a letter from LEP Board Member & Brexit Group Chair Tom Westley on behalf of the group (January 2018). The aim of this was to ensure the voice of Black Country business was put across to government; the Black Country Chamber of Commerce endorsed the document and continue to be strategic partners within this work.
- 3.4. A response was received from Andrew Griffiths MP, the then Minister for Small Business, Consumers & Corporate Responsibility, welcoming the LEP's business engagement and reinforcing the government's commitment to boosting economic growth through their industrial strategy. A full copy of the letter, the 'asks' document and the government's response is available in the appendix.
- 3.5. In order to continue pushing our demands on Brexit with government, the LEP Brexit Group have been working with the Black Country Chamber of Commerce to set a date for a Westminster roundtable. Our aim is to take a small group of Black Country businesses to Westminster and to host a Brexit roundtable with a Member of Parliament, hopefully a Minister. Through their contacts the Chamber are currently working on a date through Black Country MP's, and in the meantime the Black Country Economic Intelligence Unit (EIU) continue to build the quantitative evidence base to strengthen our asks of government.
- 3.6. This has included analysing the extent of EU ownership in the Black Country. Recent HM Land Registry data shows that 667 land/property is owned by overseas companies in the Black Country; and through our strategic companies' data we know that of the 795 companies (from a total of 2,000) with global ownership details available, 13% are owned by EU country individuals. This represents 107 firms, though as ownership data is available for less than half of the Black Country's 2,000 strategic companies, we're currently unable to see the full picture.
- 3.7. Out of the 107, 19 are in Wolverhampton. Table 1 below displays these, their sector of operation and the country of ownership.

Table 1: EU-owned Black Country Strategic Companies based in Wolverhampton

Company Name	Sector	Ownership
ArcelorMittal Distribution Solutions UK Limited	Retail	Luxembourg
Tarmac Building Products Limited	Advanced Manufacturing	Ireland
Sharps Bilston Limited	Business Services	Luxembourg
Andrews Sykes Group PLC	Business Services	Luxembourg
Ansaldo Nuclear Limited	Transport Technologies	Italy
Gunnebo UK Limited	Public Sector	Sweden
JMP Wilcox & CO Limited	Retail	Netherlands
Ovivo UK Limited	Building Technologies	Denmark
Eurofins Food Testing UK Limited	Advanced Manufacturing	Belgium
Wolverhampton Waste Services Limited	Business Services	Luxembourg
Dudley Waste Services Limited	Business Services	Luxembourg
Evoca UK Limited	Retail	Italy
Weishaupt (U.K.) Limited	Retail	Germany
Lebronze Alloys UK Limited	Advanced Manufacturing	France
Arcelor SSC UK Barking Limited	Advanced Manufacturing	Luxembourg
Guardrail Engineering Limited	Advanced Manufacturing	Denmark
Gatc Biotech Limited	Advanced Manufacturing	Belgium
Fuhr UK Ltd	Retail	Germany
Angel Springs Holdings Limited	Visitor Economy	Luxembourg

3.8. Furthermore, we have begun to investigate the impact of Brexit on the Health & Social Care Sector through the LEP's new Health & Care Sector Task & Finish Group.

3.9. The broad findings of the Brexit group were presented as part of a Brexit regional stakeholders event ran by the University of Birmingham in May, and a LEP representative attended a small regional roundtable with Brexit minister Suella Braverman MP in July.

3.10. A copy of the data/intelligence gathered so far is available on request.

4. Next Steps

4.1. Meetings of the group are currently on hold as preparations for the Westminster trip are made (last meeting in February 2018); we will continue to work with the Chamber on this event.

4.2. The Black Country EIU will continue to build up a bank of intelligence on the impact of Brexit on the Black Country – this will inform future identification of priorities and lobbying activity. In particular, there will be a focus on emerging research areas such as the aforementioned health & social care sector and exploring the significance of European company ownership in the Black Country.

4.3. The group's objective remains to assist in ensuring a seamless as possible transition to a post-Brexit economy for Black Country businesses across sectors, using intelligence-led action and our position to influence government policy.

Sarah Middleton
Chief Executive
Black Country Consortium Ltd

Contact Officer

Charlie Hopkirk

Tel: 01384 471130

Email: charlie_hopkirk@blackcountryconsortium.co.uk

Source Documents: Attached:

- Copy of the Black Country LEP Brexit Group's 'Business-Led Brexit Asks of Government' written statement and supplementary letter.
- Copy of the Department for BEIS' response letter.