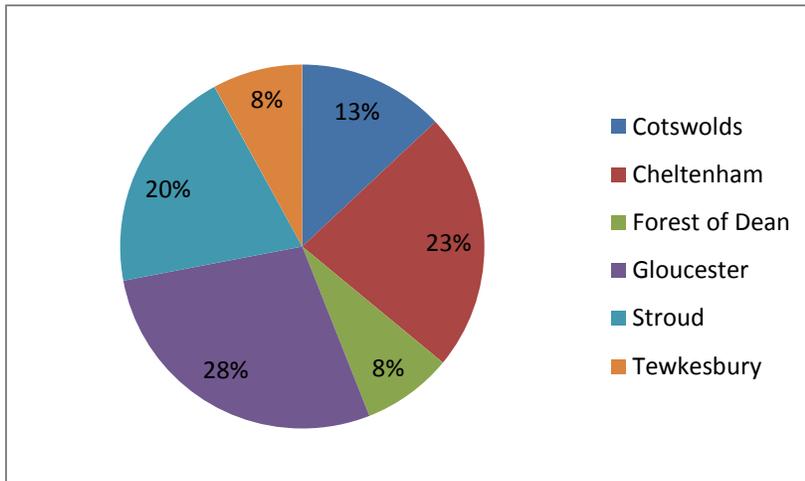


Analysis of the questionnaire: Brexit: what does it mean to you?



The business community of Gloucestershire was surveyed Wednesday 29th March 2017, the day Article 50 was triggered, to understand their views on Brexit and how they thought it would affect them and their workforce.

Location of the business responding:



Business make up:

73% of respondents employ 1-25 people. The breakdown between full time and part time of all respondents, was 73% and 27%. The respondents came from a wide variety of industrial sectors, including:

- manufacturing,
- construction,
- wholesale and trade,
- accommodation and food services,
- real estate activities,

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- professional, scientific and technical services,
- administration and support services,
- public administration and defense,
- education

Most respondents businesses had been trading over 25 years (28%). Closely followed by the group that had been trading between 11-25 years (25%), this gives a combined total of 53% of respondents who had been trading over 11 years.

Employees

The respondents represent 28,027 employees. 6.9% of their workforce are from EU countries and 2.6% are from the rest of the world.

When asked what skill level their EU employees were at, the responses show that they are employed at all levels, with intermediate and higher level skilled roles predominating, with some very high figures from individual respondents. The feedback demonstrates that EU workers are employed at all level of skilled roles, not necessarily as some misconceptions would suggest at just lower skilled roles.

Figures for responses for recruitment and retention in light of Brexit were nearly identical. When asked if they thought Brexit will impact on recruitment most (68%) said no. Nearly a quarter (24%) said yes they did think it would impact with 8% not sure how it will affect them.

When asked if they thought Brexit will impact on retention most (72%) said no. Nearly a quarter (23%) said yes they did think it would impact with 5% not sure it will affect them.

Businesses were asked to comment on the response they had given to recruitment and retention. Whilst there are some that are optimistic about the future and see it as an opportunity to develop sales to the home market; many commented that it is still unknown and they don't know what the impact will be. There is a real fear that growth will be hindered. Some anonymous comments are summarized below:

'It is already difficult to hire skilled welders, machinists, engineers etc. Limiting our access to European skills will only make the situation worse. Brexit will already discourage foreigners from moving to the UK. If we impose immigration limits as well, this would almost certainly limit our company's growth.'

'Already impacting at the highly skilled and mobile level, the delay in confirming rights for existing EU workers is causing some to leave'

'Our ratios of EU vs UK staff have already skewed since BREXIT. We used to employ more EU workers but there are not that many around anymore.'

'Deeply worried. International impression is - despite all the talk of "Global Britain" - is the UK is shutting the door on the world.'

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'supply of staff now drying up'

'EU employees in manufacturing and engineering are a key component of success - loss of these staff will compromise our future'

Effect on business

The businesses were then asked how do they think Brexit will affect their business. Most (40%) said it would affect them in a negative way, a further 31% didn't know and 28% said they were optimistic and would affect them in a positive way. The answers are enlightening as it appears that the weak pound is helping exports and some see it as a new opportunity to work with countries they previously hadn't.

'Brexit poses potential problems in terms of securing new work'

'New opportunities. Local more appropriate regulation'

'As we are mainly export the value of the £ is a help'

'We have already seen a reduction in orders from Europe. The general trading environment is also depressed as a result. Limiting our access to skilled labour will limit the company's growth'

'Nobody knows what impact Brexit will have in the UK. We just have to wait and see and engage in the process wherever possible'

'More opportunities for work in countries which previously we would not have had relationships with'

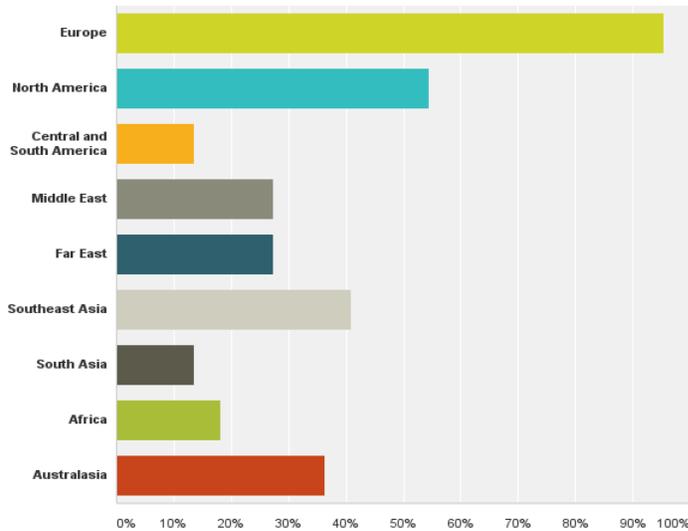
'We import from Europe. Increased costs due to exchange rate. Expect customs administration & tariffs to add to red tap & cost'

'Will impact skills but devaluation has made our foreign earnings more valuable'

Export

65% of the respondents exported. The respondents could choose more than one area when asked where they exported to. Europe was chosen by 95% of respondents. North America, 54%, South East Asia, 41%.

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Specific measures

All respondents were asked if they were taking any specific measures in preparation for Brexit. Most (70%) said no, they hadn't made any specific measures for Brexit. The 30% that said yes, they were taking measures were asked to elaborate on what they were doing. Some said they were looking at relocating. Some said they were reviewing their supply chains, some said they were looking at new markets and some said they are reviewing recruitment. Some comments are below:

'Assessing new income generation opportunities, including expanding our provision of services beyond EU'

'Reconsidering purchasing of materials from overseas'

'Accelerating our growth plan so that we are in a position to outsource production to India, because at the moment our products are produced in Britain but using materials imported from EU countries. Given the cost of production, we can't pay VAT and import tax on top of our materials then also pay to produce our products on the UK. If we don't get big enough to outsource the whole process to India, the business will fold once we exit the EU. This is assuming we leave the single market.'

'Global market reviews'

'Possible re-location to mainland Europe'

'We are considering moving to a EU country'

'Holding off on recruitment and making sure the business is lean on cost'

Businesses were asked for their view about the possible implications of Brexit on their business in relation to customs paperwork/procedures, regulatory/compliance issues, tariffs, access to EU workers. The responses are in table 1 below.

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Table 1

	Very negative	Negative	Neutral	Positive	Very positive
customs paperwork/procedures	20%	20%	50%	7%	3%
regulatory/compliance issues	13%	17%	44%	19%	6%
Tariffs	20%	25%	46%	6%	3%
Access to EU workers	17%	24%	56%	2%	2%

NB figures may not equal 100% due to rounding

Most respondents (40%) are negative/very negative about customs paperwork and procedures. Most respondents (44%) are neutral when answering the question on regulatory/ compliance issues. Most respondents (45%) are negative/very negative about tariffs. Most respondents (56%) are neutral when answering the question on access to EU workers. Most respondents (17%) were from Gloucester.

Businesses were given some free text to provide other comments. The image below is a visual representation of the most frequently used words. The larger the word, the more times it was mentioned.

Brexit_{Trade} Positive_{Think} Negative Impact

The biggest concern was uncertainty and people talking negatively. There were a few comments that people now need to be positive and look at Brexit as an opportunity.