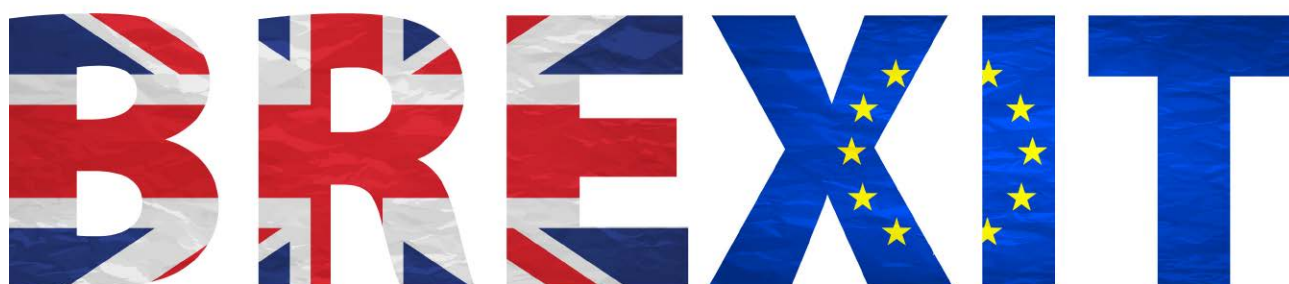


BREXIT Business Feedback

20th September 2019



Feedback

At the beginning of September 2019, Kingston Chamber of Commerce sent out a survey to our membership to get their feedback on Brexit.

This document has pulled together the feedback from the survey as of September 20th 2019. The full comments can be obtained from the link: <https://www.surveymonkey.com/results/SM-DXK77ZKC7>

The survey was designed to be brief and to be a snapshot of the current business climate. We have heard from other local Chambers a variety of opinions towards Brexit. Some Chambers are heavily engaged with members who are affected by Brexit, such as Hounslow Chamber of Commerce. Other Chambers report that Brexit is having little impact due to the nature of the scale of businesses in their boroughs.

The overriding narratives from the survey reflect the many conversations that we have heard from our strategic partners, membership and at national and local levels. There is broadly a feeling of considerable frustration, lack of information and acknowledgment that Brexit will have a negative effect on businesses. Some businesses have already put into place restructuring to protect themselves from possible outcomes and other companies have already felt the pinch from Brexit. Others are just standing still and not committing to any investment until a firm outcome is made.

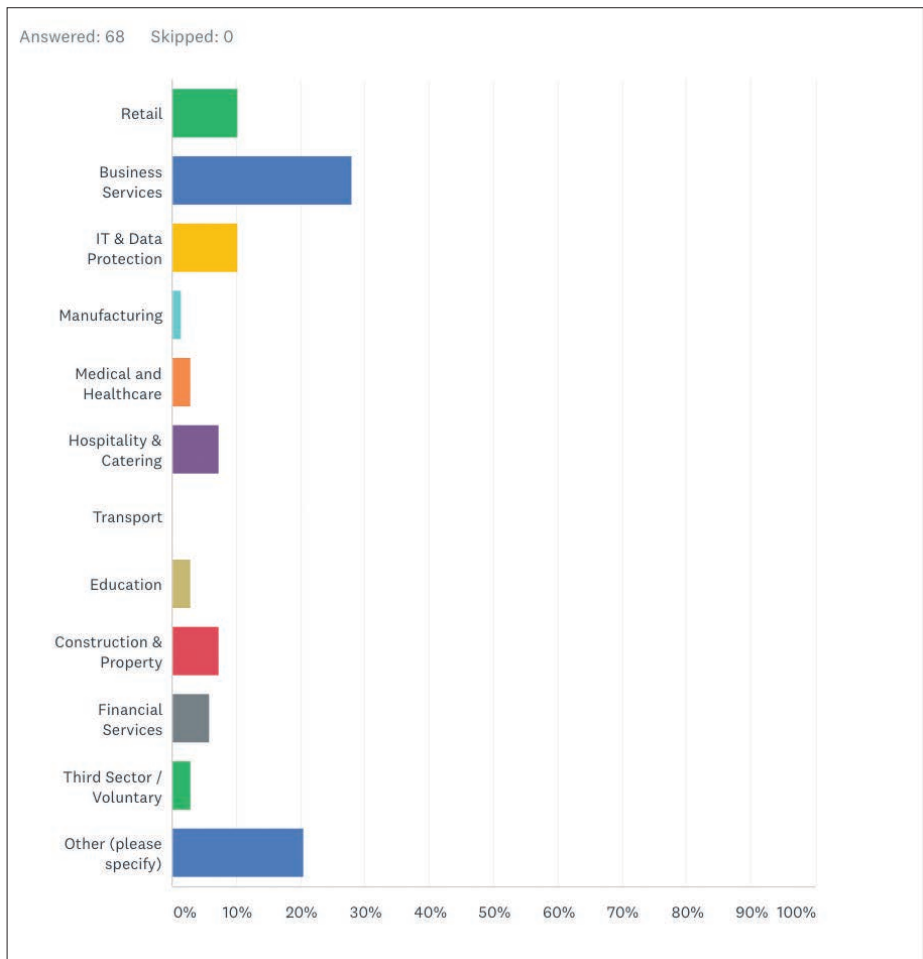
Certain companies can already see that Brexit is having a drain on staffing and employee confidence. There is a concern about the quality and breadth in the future job market. However, there are some voices which encourage optimism and faith in the UK workforce.

Question 8 showed that Taxation / Compliance and cross border trade were the main areas that our membership felt lacked clarity and guidance.

We would like to thank everyone who took the time to fill out the questionnaire. For more information, we have included some useful links and contacts on page 11.

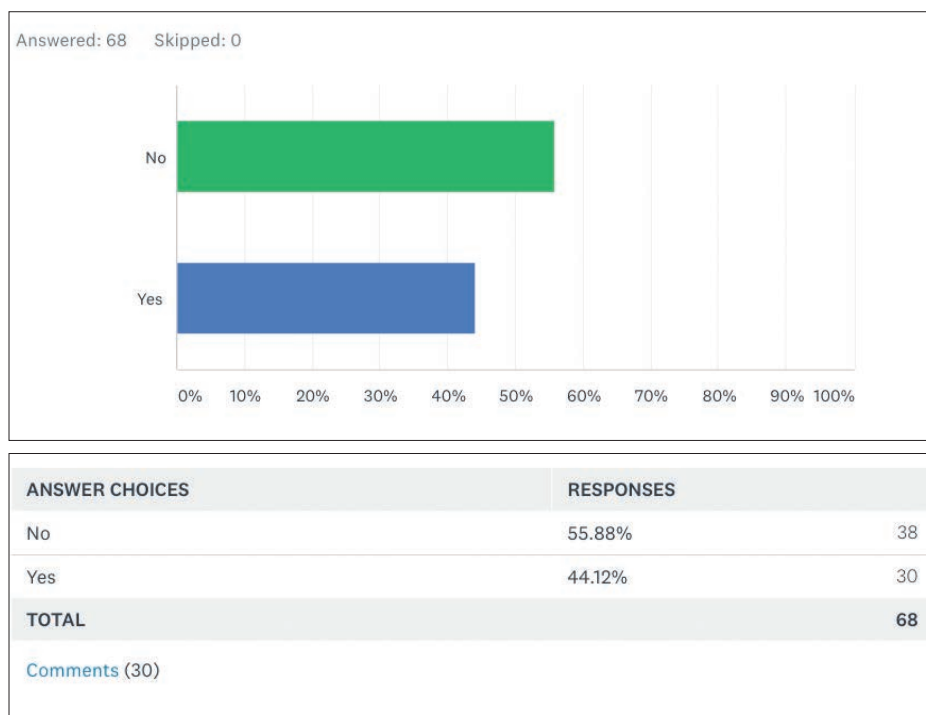
Kingston Chamber of Commerce has our Positional Overview on Brexit on page 10. We are an Independent and apolitical organisation, we exist to support our members. At a local, regional and national level we give the business community a voice on matters affecting their organisations.

Q1: What Sector is your business?



ANSWER CHOICES	RESPONSES	
Retail	10.29%	7
Business Services	27.94%	19
IT & Data Protection	10.29%	7
Manufacturing	1.47%	1
Medical and Healthcare	2.94%	2
Hospitality & Catering	7.35%	5
Transport	0.00%	0
Education	2.94%	2
Construction & Property	7.35%	5
Financial Services	5.88%	4
Third Sector / Voluntary	2.94%	2
Other (please specify)	Responses 20.59%	14
TOTAL		68

Q2: Do you have employees from the EU?



Q3: What consequences has Brexit had or do you expect it to have on your staffing both now and in the future

The self employed therapists who rent meeting rooms from my business come from all parts of the world. The therapists from the EU are very worried about the implications of Brexit on their businesses and has undermined their confidence in the UK

No impact now and we are assisting all EU team members to complete the settles/pre-settled application, however we have seen an increase in people from the EU looking at either moving back to their home country particularly if from Eastern European and Baltic countries. We also predict that there will be a reduction in people arriving from these countries as they are uncertain as to what will happen. This impacts many departments in our organisation in determining and achieving their recruitment targets and resources planning

Disastrous. All EU hairdressers have gone home

It really has affected the hospitality/catering industry as many have left and many more are planning to leave

We will find it harder to fill positions and I'm sure we will have to pay more

Not on staffing but because of my business model I will not be able to rely on foreign teams as I used to

I work with a tech partner and use freelancers, so this doesn't directly affect me

None at present. It depends on the Deal and the Timing of the Deal, although one would have expected people to return before the Event and we have not seen a mass exodus.

Hotel housekeeping staff are outsourced via an agency which is almost 100% EU nationals. Brexit would most likely mean we would bring these jobs in house and employ direct with a significant increase in UK passport employees.

I use self-employed contractors to cover my excess work. Some are EU based and I have no idea how that will impact me

Minimal impact unless take on new projects. We will look at exporting services as £ is so weak so we are more competitive. In reality the bigger impact is likely to be on cost of inputs which for us are minimal but for clients may cause them to delay major projects.

Plan to move operations to Amsterdam

We will see pressure on pay rates to keep good staff and will need to train more staff internally. We will see problem with fresh meat, fruit and veg supplies, if we leave without any plans in place, in the first few weeks. We will also continue to see prices for raw ingredients increase if this happens.

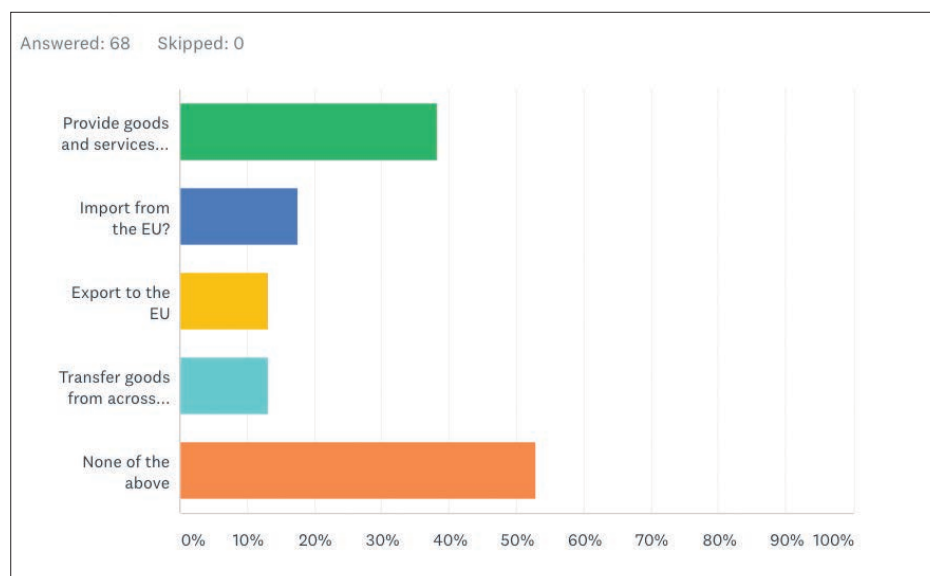
Reduce options and quality of staff and sub-cons

I have had to make staff redundant

Staff planning to return home. Difficulty in recruiting new staff with necessary qualifications and skills

1. Will have difficulty in employing the skill sets that we need in our organisation.
2. Production will suffer as a result of staffing issues.

Q4: Does your business:



ANSWER CHOICES	RESPONSES	
Provide goods and services in the EU?	38.24%	26
Import from the EU?	17.65%	12
Export to the EU	13.24%	9
Transfer goods from across (through) the EU?	13.24%	9
None of the above	52.94%	36
Total Respondents: 68		

Q5: If you provide goods or services in the EU, are you aware of any tax changes and do you have an EORI number?

Yes we are aware as much as possible and also as much as the Government shares. We do have an EORI number and we are signed up to all the alerts of new regulation on requirements coming out

No

Coworkers from the EU are VAT exempt so this is not charged in their invoices.

Yes

No I do not as I am a representative

Yes my business has an EORI number. Don't yet understand the tax implications

Unaware of tax changes I have an EOR I number

Yes, VATMOSS will be a complete headache for our business. EORI isnt applicable

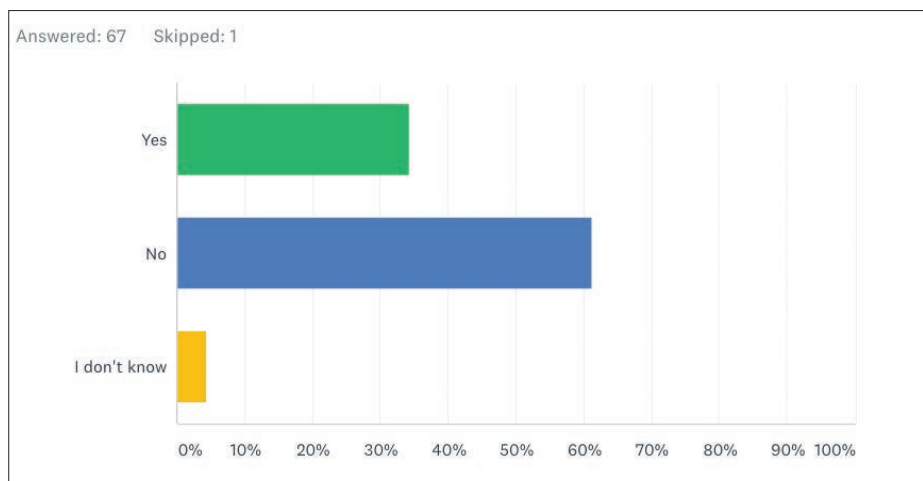
I've not been informed of any tax changes.

Not aware of any tax changes on our services provided, no goods, and we do have an EORI number

This is done via our freight forwarder.

We have EORI number. Not aware of the tax change

Q6: Do you exchange personal data with another organisation in the EU?



ANSWER CHOICES	RESPONSES	
Yes	34.33%	23
No	61.19%	41
I don't know	4.48%	3
TOTAL		67
Comments (21)		

Q7: What preparations have you made to get your business ready for Brexit? Have you sourced financial or business advice regarding Brexit for your business, perhaps in relation to regulations, standards etc?

A part from the EORI Number, staff awareness and assistance and GDPR implications nothing really at this stage

None. My stockists said that they are stockpiling

Checked with our suppliers to see if they will be increasing prices or expect any delays in \ supplying goods/services.

I'm selling online to overseas markets so will not be 100% reliant on the UK

We monitor the Government websites and we await any real details.

I am trying to cut costs in the expectation that we will be less profitable.

I can provide these services so keeping abreast of developments. There is no clarity on what will happen so at the moment it is hard to provide advice or even sensible mitigation strategies.

Delayed major financial commitments

Yes. We plan to move operations to Amsterdam.

We have held meetings with our drinks and food suppliers, to put contingency plans in place, to ensure that we can continue to operate, during the turmoil that a poorly planned leaving of the EU may create

Only with respect to ongoing Horizon 2020 participation

My business fell dramatically straight after the Brexit vote, so we've had to batten down the hatches.

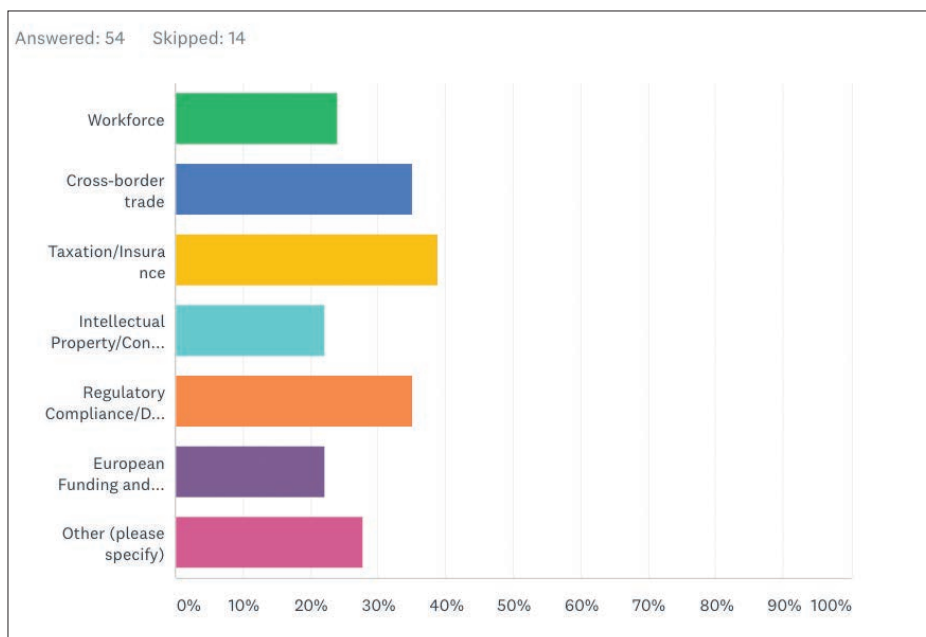
Keep up to date with ICO news

Move data into UK where possible from EU

We take weekly international contract law advice at board meets, conference calls daily, and more if req. We are waiting patiently for a fabulous EU deal, we have every confidence PM will achieve. We can't preempt this, just need patience. Even no deal would be good, every country wants to trade with English companies, plus British ones. If Scotland want to leave, they are in for a huge shock, and will loose all the financial backing previously enjoyed.

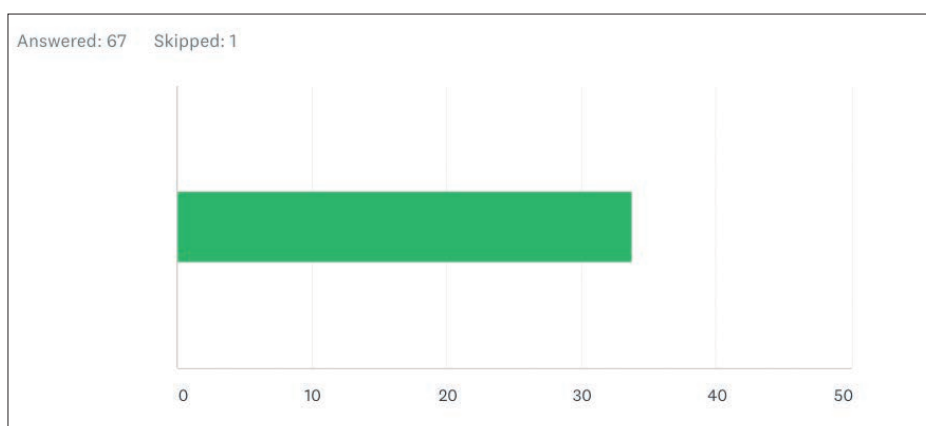
My professional body does not seem to know what to offer

Q8: Which of the following areas do you need more information on to help you prepare for Brexit



ANSWER CHOICES	RESPONSES	
Workforce	24.07%	13
Cross-border trade	35.19%	19
Taxation/Insurance	38.89%	21
Intellectual Property/Contracts	22.22%	12
Regulatory Compliance/Data Protection	35.19%	19
European Funding and Public Procurement	22.22%	12
Other (please specify)	Responses 27.78%	15
Total Respondents: 54		

Q9: As a guide, how much do you think Brexit will affect your business growth?



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Responses	34	2,262	67
Total Respondents: 67			

Q10: Do you have any other comments or issues about how Brexit will or might impact on your business?

BREXIT is s catastrophe for my business

Properties are not being taken due to uncertainty and therefore our business is very slow.

Brexit is already an unmitigated disaster for the UK economy and will send the UK in to recession which will drastically affect the self employed private therapist's businesses as people will not be able to afford the mental therapy they need. Boris Johnson, Jacob Rees-Mogg the whole of the ERG, James Dyson, Nigel Farage, Jim Ratcliffe, Crispin Odey, Arron Bank's etc should all be put in prison and left to rot for the damage they have caused to the British economy and the future financial prosperity of it's businesses & inhabitants! Revoke Article 50

Brexit has already impacted my business. only last week I lost ££ on a project because I trade internationally and the fall of the pound means that the price initially agreed is now worth less.

I think it is difficult to say when there are no clear details. In terms of the last 2 real events which are similar - Euro and Year 2000 - there was no real impact.

Nothing will change

Brexit can only be a good thing as the UK has waited too long to get this matter resolved.

Yes. I conducted a survey last year prior to the Council's debate on a Resolution on backing a People's Vote (I was on the panel for a panel discussion prior to the vote). My survey of 8 coworkers showed that all but one expected to have to cut their UK operations partly or completely as a result Brexit, and those that remained expected to face other negative consequences such as elimination from European funding bids or reduced access to talent or money. There is another raft of consequences which are personal and emotional. The conflict and the shock of Brexit is causing a loss of confidence, anxiety, depression and one can only speculate upon how this effects productivity and the 'entrepreneurial spark'. Perhaps it is worth adding a question set about this to this or a future survey.

What were people thinking?

The lack of clarity is not helpful. It is important to reach a decision on way forward whatever that is so businesses can begin to capitalise or mitigate issues. Disruption is not helpful but will lead to upturns for many service businesses (accounting, legal, ICT, etc.) leading to reinforcement of feeling that manufacturing/retail are 2nd class. The challenging task of delivering Brexit or stopping it has shown UK Gov to be totally inept. There is a strong chance that this will lead to a total reform of government, hopefully without violence.

Q10: **Continued**

I'm exploring the option to relocate my business to Eire as I think the UK is going to descend into a deep and long lasting recession if a hard Brexit is implemented

As mentioned, the unknown is causing major concern. Once it happens we will be able to get on with business.

It's a disaster

It will reduce the audience size and public funding is likely to be cut. We are seen as a luxury.

A lot of businesses will be impacted for a variety of reasons and this will ripple through the business community (large and small). Investors have been withdrawing or holding back from investing in the UK market for some time. We have already seen this negatively impact several of our clients and in turn our own business. This rippling effect will also negatively impact the prosperity and well-being of our local community. There will naturally be some winners, but it won't necessarily be those who have had foresight. Their 'luck' is more likely to be because they are able to pivot quickly - bigger businesses may not be agile enough to do that whilst smaller businesses may not have the money or funding to take advantage of their situation. Consequently many businesses (large and small) will be negatively impacted by Brexit and they won't be able to do anything about it.

People need to stop trying to scare people, HSBC have problems but the local newsagent will not. The behaviour of some is disgusting.

We are going into recession

the kind of changes eg to VATMOSS would be phased in over 2-3 years normally. Leaving everything to E.g. two weeks before is bonkers. Even today, I have no idea what the Q4 situation will be. It's a shameful letdown by the government and is gross incompetence.

From a construction perspective. getting the client to get on with their schemes and not waiting for the outcome. as projects costs will rise as a consequence

I believe Brexit will encourage the British workforce

Stop getting so worried about a situation that is not yet completed. The electorate voted. To leave! We leave EU end Oct. We will have a great deal. Our democratic country, UK, will leave the EU. My response to public naysayers Are you on Electoral Role? Oh you don't know what that is? How long have you lived here? Are you Reg on the local electoral role? Did you vote? Do you usually vote? Do you know about a postal vote? As you have changed address, you have a problem, if you want a future vote. So most aren't Reg, so cannot vote. Many others, never, ever vote? Pot, Kettle, Black, Hypocrite, spring to mind. So I suggest they stand at their next election = no interest what so ever.

Q10: **Continued**

It is the most idiotic self harming pointless exercise in history. Completely brought about by lies and manipulation. It will cause another recession and will only result in the young generations taking us back into Europe with none special terms we have now and adopting the Euro.

It will be great. Change is opportunity. The sooner the better

We are very concerned about the potential impact on the industrial and manufacturing sector and the alarming drop in investment

Development pipeline of new property, will potentially stall/slow down. We will therefore be faced with a supply and demand crisis for both commercial and residential property in some areas of the UK.

1. I fear that the companies may retaliate and be biased towards our products and services
2. Might have more obstacles to win new business

The lack of decisive leadership and certainty has made companies more hesitant about future investment, which has made it more challenging (though not impossible) to get new customers on board. Our political leaders should be eternally ashamed of the thorough mess they have made of the stability of Britain's economy and it's standing in the eyes of the world.

As Brexit will undoubtedly have a negative impact on the economy we expect disposable income to fall which will reduce the number of people that enter our running events.

Positional Overview

Brexit is not an event that emerged fresh in 2016 at the Referendum.

The noted historian, Peter Hennessy, states the roots go back to the end of the Second World War, the Suez Crisis and the Masstricht Treaty in 1992. He has described Brexit as a perfect storm due to the unique convergence of eight crises hitting at the same time.

These are: the European question and how the UK relates itself to Europe; the Irish border question; the debate about the Union and Scottish independence; the condition of Britain (how areas of the UK are socially and economically disconnected); fragmentation of the left and right within our party system which cannot handle the European question and our Parliamentary system which is being stress-tested like other time in recent history. There is also the strain on the legitimacy of Government procedures which is leading to a cynical spiral in debates. Finally, there is the question of how the UK views it's its place in the world (the Commonwealth and how the world sees us).

This maybe a crystallised moment when the people of Britain have to decide what kind of country government or society it wants, how it relates to its neighbours, locally, nationally and internationally.

International, national and local concerns

Political instability and relentless uncertainty around Brexit are having a detrimental effect on businesses here in Kingston as well as nationally. The turbulence of Brexit is hampering investment. Investing and committing to short-term targets, let alone long-term objectives, is particularly challenging when companies do not know what to prepare for.

From across the Borough, we are hearing of Brexit related issues and concerns with payments, supply chains, staffing, funding, confusion over regulations and duties to name but a few. No sector is unaffected. Whether you trade across EU borders or not, there is still likely to be some impact on business or in the economy in general. Businesses need to take steps to address potential impacts - but what steps to take remains unclear, and this is one of the greatest causes for anxiety for business owners.

Although there is some broad Government guidance on a no-deal outcome, the advice has been late, patchy and still lacks definition. Businesses do not want to see a disorderly Brexit but are being asked to prepare for all possibilities. This preparation takes time, expense and the advice is changing on a daily basis. Dr Adam Marshall, Director General of the British Chambers of Commerce, said: 'Companies are told to plan but are being presented with a moving target.'

However, there is also a growing number of business voices now preferring a no-deal, just to get a decision made so businesses can move on. There is genuine frustration that any extension merely drags out this uncertainty even more and from any reforming agendas such as business rates and other measures that are needed to kick start the UK economy which has stagnated this year.

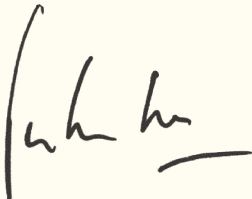
With the announcement that Germany (the European engine for so many years) is heading into recession and the escalating US trade war with China, the Brexit deadlock could prove to be more damaging to the UK's subdued economy. At a recent meeting with London's local Chambers, The Bank of England forecast a 5% downturn in the economy for Q4 in the event of a no deal Brexit, yet in contrast predicts a 2% increase for the same period if there is an orderly Brexit.

October 31st and beyond

As October 31st looms in front of us, business, health and educational bodies are facing critical, complex decisions such as the need to attract staff (and stop the exodus in areas such as farming, health and hospitality), funding, organise trade and taxation agreements, support the supply chains and yet still sound confident and viable.

The stalemate is damaging businesses, communities and friendships. Relationships with local, national and European and global business partners are strained. Business thrives on confidence and it is a precious commodity.

Kingston Chamber of Commerce joins The British Chamber of Commerce and other National business organisations calling on the government to avoid a disorderly Brexit. Business owners and managers need clear and consistent advice on matters that affect them and more needs to be done to address the confusion and lack of information. Moving beyond Brexit, the many national and local wounds which have been opened up, will need to be addressed in a collective, less inflammatory and co-operative voice or we risk greater alienation for communities and businesses.



Forbes Low

CEO, Kingston Chamber of Commerce
20th September 2019

Useful Links for more information:

- British Chambers Brexit hub:
<https://www.britishchambers.org.uk/page/brexit-hub>
- GOV.UK online business preparation tool:
<https://www.gov.uk/business-uk-leaving-eu>
- If you move goods in or out of the EU you need an EORI number. Find out more and apply here:
<https://www.gov.uk/eori>
- The Department for Exiting the European Union:
<https://www.gov.uk/government/organisations/department-for-exiting-the-european-union>

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