
ENTERPRISE PARTNERSHIP

York / North Yorkshire / East Riding

**Business
Inspired
Growth**

EU Referendum

Briefing Note 2

5 August 2017

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Section 1: Key Messages

1. **Our major investments**, e.g York Potash are not reporting any negative impact from Brexit and continue as planned. Indeed, we have started additional work with York Potash to provide more opportunities for local businesses to access their supply chain.
2. **Key businesses** across the region are reporting ‘business as usual’
3. **Government are committed** to an Industrial Strategy – this is good for business and we are contributing to its development.
4. **Our EU programme** is continuing as planned. We have an £18m skills programme which is contracted and on track to start delivery in November and the £400m Northern Powerhouse Investment Fund is due to be launched before Christmas. In addition, there are new funding opportunities emerging for tourism infrastructure and food processing companies, both key sectors for our region.
5. **Bank of England has reduced interest rates to a historic low of 0.25% and provided an additional £60bn quantitative easing**. Whilst some national indicators such as the IHS Markit/CIPS Purchasing Managers Index[®] are reporting a drop in output, local businesses feedback indicates an air of caution and we are not reporting the heavy loss of confidence seen in some city regions.

Previous Messages from the LEP

“Britain’s economy is one of the strongest in the world with low, stable inflation, high employment and a resilient financial system”

“There could be opportunities as more businesses wanting to access the UK market seek to locate here”

“The UK remains a great place to do business and is the highest ranked major economy in terms of ease of doing business”

“Our local economy has the largest private sector investment in Northern Powerhouse, resilient small businesses and unrivalled quality of life, the number one issue for investors”

“We expect our EU programme to continue and are offering solutions to government in order to retain investment in our area. We are working cross sector including research & agriculture to understand the positive impact of EU funding and we will be making a strong case to government to maintain the levels of investment”

Section 2: Actions Update

Action	Update
Consistent Communications	<ol style="list-style-type: none"> 1. Key messages are included in this brief. A letter signed by Northern LEPs and Local Authorities has been sent to the Prime Minister urging continued investment in the North of England. Support for the North seems to be retained with Andrew Percy MP having the specific remit.
Local Impact	<ol style="list-style-type: none"> East Riding are leading on collating EU funding attracted into the region. This is complete for East Riding and is being rolled out to York & North Yorks. A summary will be ready in August. Universities continue to pull together a summary on the impact on HE. The role of Universities in driving innovation and growth is important and we strongly support the case for government to maintain their access to EU staff, students and continued investment in research and innovation. The key risks are: <ul style="list-style-type: none"> • Access to EU Staff • Ability to attract EU students • Access to EU wide research & collaborations • EU Funding programmes FE colleges are reporting less impact. The direct exposure to EU funding is lower in our area than some other regions where colleges have built up capacity to manage large EU contracts. The main threat is to funding via our LEP EU Funding programme for workforce skills. The LEP 'Hows Business' small business feedback corroborates FSB data that says Yorkshire is one of the most confident following on from Brexit. The ICAEW are also reporting that, though there was a sharp drop in business confidence immediately following on from Brexit, business owners are now settling into a period of caution and uncertainty and are waiting to see how the results of Brexit will play out. A note of caution: this is, of course, a general snapshot of the area and it doesn't look at issues that are specifically facing manufacturers, exporters and

	<p>business owners with global supply chains.</p> <p>5. Local Authorities Key Account Management teams retain relationships with the larger businesses in the region. Whilst there are clear risks, we are not currently reporting any direct impact or deferred investment decisions.</p> <p>To support LA Key Account Managers we are arranging a ‘lunch and learn’ in September with senior business leaders from our region to fully understand the discussions happening within business.</p> <p>We will use this opportunity to also engage on the emerging industrial strategy to ensure our response is collaborative.</p> <p>6. Nationally, the IHS Markit/CIPS Purchasing Managers Index[®] released on 2 August was less positive, indicating a drop in output across services, manufacturing and construction. Anecdotal evidence suggested economic uncertainty following Brexit as the main factor, however there were also reports suggesting some demand patters had been more resilient than expected with some companies reporting new enquiries linked to the weaker pound.</p> <p><i>This data reflects the decision by the Bank of England to reduce interest rates to a historic low of 0.25% and increase quantitative easing by £60bn</i></p> <p>Annex 1 provides the latest PMI Index release for construction, manufacturing and services, together with links to the FSB, ICAEW, IOD and North & West Yorkshire Chamber of Commerce Business Surveys</p>
<p>Keep Momentum</p>	<p>We expect the EU programme to go ahead and projects should continue to progress towards delivery.</p> <p>We have had confirmation from SFA, DWP and Big Lottery our ‘opt ins’ are contracted and will progress despite Brexit. This means we will have a £18m Skills programme which will be procured and launched in November this year.</p> <p>We are still awaiting confirmation that DCLG will progress signing new contracts, however we are continuing to develop programmes as planned.</p> <p>There are new opportunities emerging for tourism infrastructure and food processing through the DEFRA approach to EAFRD Rural Funding.</p>

	<p>Overall, as a LEP area, we are ahead of profile with regard to the interim targets within our ESIF programme and expect to fully deliver on our commitments. It should be noted there could be some short term risks to 2016/17 outputs due to delays in signing.</p> <p>Whilst no firm commitments have been received from government, messages from ministers around the importance of EU programmes, have been welcomed.</p> <p>The message to partners remains ‘Partners should continue to develop their projects and whilst government are unable to sign contracts until they have more clarity, we remain committed to the EU Structural & Investment Fund programme to deliver growth’</p> <p>Annex 2 provides a summary of our programme.</p>
<p>Rural & Farming</p>	<p>There remains significant concern around the potential impact on agriculture in relation to the Common Agriculture Policy, single farm payments and environmental stewardship payments to name a few.</p> <p>Clearly the impact at this time is unknown, however given farm gate prices for produce, many farmers are already border line viable.</p> <p>There is potential for significant economic and social impact of decisions regarding agriculture.</p> <p>It is critical that all rural areas work together to understand the impacts and make the case to government for continued support for our rural and agricultural areas.</p> <p>An Update will be provided in August.</p>

Opportunities	<p>As the situation evolves we continue to look for opportunities for the region. Currently, these include.</p> <ol style="list-style-type: none">1. The UK government have committed to developing a comprehensive Industrial Strategy, led by Greg Clark MP. We will be working with businesses in our area to ensure we submit a robust evidence base targeting our key opportunities.2. We are in discussion with York Potash around specific supply chain opportunities which could increase the local benefits and impact of this major investment. This could provide new opportunities for businesses across the LEP area.3. DEFRA have indicated that the EAFRD funding is likely to focus on capital investment for tourism infrastructure and food processing. Tourism could include Commercial projects, Events and festivals or enhancing projects – cycle ways, foot paths etc. <p>This provides opportunities for these key sectors in our economy. The calls for projects are likely to launch Sept/Oct and we are engaging key partners to stimulate potential investments.</p>
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Section 3: Ministerial update

Annex 3 provides a list of all Government Ministers.

Key appointments to note:

Department for Transport

Secretary of State for Transport

[Rt Hon Chris Grayling MP \(Con\)](#)

Parliamentary Under-Secretary (Department for Transport)

[Paul Maynard MP \(Con\)](#)

[The Lord Ahmad of Wimbledon \(Con\)](#)

[Andrew Jones MP \(Con\)](#)

Department for Communities and Local Government

Secretary of State for Communities and Local Government

[Rt Hon Sajid Javid MP \(Con\)](#)

Minister of State (Department for Communities and Local Government) (Housing, Planning and London)

[Gavin Barwell MP \(Con\)](#)

Department for Business, Energy and Industrial Strategy

Secretary of State for Business, Energy and Industrial Strategy

[Rt Hon Greg Clark MP \(Con\)](#)

Minister of State (Department for Business, Energy and Industrial Strategy)

[The Baroness Neville-Rolfe DBE CMG \(Con\)](#)

[Mr Nick Hurd MP \(Con\)](#)

Minister of State (Department for Business, Energy and Industrial Strategy) (Universities and Science) (Joint with the Department for Education)

[Joseph Johnson MP \(Con\)](#)

Department for Environment, Food and Rural Affairs

Secretary of State for Environment, Food and Rural Affairs

[Rt Hon Andrea Leadsom MP \(Con\)](#)

Minister of State (Department for Environment, Food and Rural Affairs)

[George Eustice MP \(Con\)](#)

Annex 1: Business Surveys

IHS Markit/CIPS Purchasing Managers Index[®] : 2 August 2016

Key Findings: (Anything below 50 is contraction in the sector)

Services	<ul style="list-style-type: none"> • Services output and new business both fall at fastest rates since March 2009 • Expectations weakest since February 2009 • Employment unchanged since June ending 3½ year period of uninterrupted job growth
Manufacturing	<ul style="list-style-type: none"> • UK Manufacturing PMI posts 48.2 in July • Domestic market hit by pre- and post-referendum uncertainty • Weaker sterling exchange rate aids new export growth
Construction	<ul style="list-style-type: none"> • Fastest overall drop in output since June 2009 • All three sub-categories record lower output, led by commercial activity • New orders fall at slower pace than June

Click below to access full document



Services PMI



Manufacturing PMI



Construction PMI

Institute of Directors Survey [click here](#)

FSB Survey [click here](#)

ICAEW Survey [click here](#)

**West & North Yorkshire
Chamber of Commerce Survey** [click here](#)

ERDF Business & Innovation
Key message

We are ahead of schedule to
deliver on our 2018 target

Annex 2: Summary of YNYER EU Structural & Investment Funds

European Regional Development Fund	PA1 Research & Innovation	PA2 ICT Infrastructure (broadband)	PA3 SME Competitiveness	PA4 Low Carbon	PA5 Climate Change (flood)	PA6 Environmental Protection (green infrastructure)	PA8 Community Led Development	TOTAL
Priority Axes Indicative Allocations (Feb 2016 exchange rate €=£0.78)	£10,288,928	£1,181,872	£10,210,085	£8,363,525	£4,991,729	£3,069,110	£2,738,325	£40,843,574
Pipeline/Contracting	£5,167,270	£1,000,000	£3,179,646	£1,000,000	£0	£0	£12,998	£10,359,914
Indicative Financial Instruments Allocation	£0	£0	£7,323,342	£0	£0	£0	£0	£7,323,342
% Pipeline/Contracting (against 100% allocation)	50.22%	84.61%	102.87%	11.96%	0.00%	0.00%	0.47%	43.30%
Balance Remaining (against 100% allocation)	£5,121,658	£181,872	£-292,903	£7,363,525	£4,991,729	£3,069,110	£2,725,327	£23,160,319
Performance Framework Expenditure Target 2018	£5,041,295	£613,520	£4,962,123	£4,080,126	£2,270,963	£1,395,137	£1,319,698	£19,682,863
Forecast Expenditure up 2018	£7,029,579	£2,500,000	£6,329,557	£988,528	£0	£0	£20,000	£16,867,664
% Pipeline/Contracting (against Performance Framework Expenditure Target 2018)	139.44%	407.48%	127.56%	24.23%	0.00%	0.00%	1.52%	85.70%
Balance Remaining	£1,988,284	£-1,886,480	£-1,367,434	£3,091,598	£2,270,963	£1,395,137	£1,299,698	£2,815,199
European Social Fund	IP1.1	IP1.2 Young	IP1.4 Social	IP1.5	IP2.1	IP2.2 Skills	TOTAL	

ESF (skills) Key message

We are ahead of schedule with programmes contracted through to 2018

	Access to Employment	people	inclusion	Community Led Local Development	Skills/lifelong learning	support SMEs	
Investment Priority Indicative Allocations (Feb 2016 exchange rate €=£0.78)	£4,879,709	£1,079,047	£5,674,694	£4,219,212	£15,309,721	£3,711,263	£34,873,646
Pipeline/Contracting	£3,555,555	£798,750	£5,111,111	£20,000	£8,611,110	£0	£18,096,526
% Pipeline/Contracting (against 100% allocation)	72.86%	74.02%	90.07%	0.47%	56.25%	0.00%	51.89%
Balance Remaining (against 100% allocation)	£1,324,154	£280,297	£563,583	£4,199,212	£6,698,611	£3,711,263	£16,777,120

European Agricultural Fund for Rural Development

	4.2 Food Processing	7.3 Broadband	7.5 Tourism Infrastructure	16.3 Tourism Cooperation	TOTAL
Sub Measure Indicative Allocations	£2,000,000	£3,500,000	£2,848,000	£1,500,000	£9,848,000
Pipeline/Contracting	£0	£0	£493,750	£502,664	£996,414
% Pipeline/Contracting (against 100% allocation)	0.00%	0.00%	17.34%	33.51%	10.12%
Balance Remaining (against 100% allocation)	£2,000,000	£3,500,000	£2,354,250	£997,336	£8,851,586

EAFRD (Rural) Key message

National programmes being launched for tourism infrastructure and food processing will commit all funding. Rural Broadband call withdrawn through national policy decision

Annex 3 List & contact details for all Government Ministers

HM Treasury	
Chancellor of the Exchequer	Rt Hon Philip Hammond MP (Con)
Chief Secretary to the Treasury	Rt Hon David Gauke MP (Con)
Parliamentary Secretary to the Treasury and Chief Whip	Rt Hon Gavin Williamson MP (Con)
Financial Secretary (HM Treasury)	Jane Ellison MP (Con)
Economic Secretary (HM Treasury)	Simon Kirby MP (Con)
Commercial Secretary (HM Treasury)	The Lord O'Neill of Gatley (Con)
	Stephen Barclay MP (Con)
	Andrew Griffiths MP (Con)
	Guy Opperman MP (Con)
Lord Commissioner (HM Treasury) (Whip)	Mr Robert Syms MP (Con)
	Guto Bebb MP (Con)
	Rt Hon David Evennett MP (Con)
	Steve Brine MP (Con)
	Michael Ellis MP (Con)
	Chris Heaton-Harris MP (Con)
	Christopher Pincher MP (Con)
Assistant Whip (HM Treasury)	Mark Spencer MP (Con)
	Graham Stuart MP (Con)
	Heather Wheeler MP (Con)
	Jackie Doyle-Price MP (Con)
Home Office	
Home Secretary	Rt Hon Amber Rudd MP (Con)
Minister of State (Home Office)	The Baroness Williams of Trafford (Con)
Minister of State (Home Office) (Immigration)	Mr Robert Goodwill MP (Con)
Minister of State (Home Office) (Security)	Mr Ben Wallace MP (Con)
Minister of State (Home Office) (Policing and the Fire Service)	Brandon Lewis MP (Con)
Parliamentary Under-Secretary (Home Office)	Sarah Newton MP (Con)
Parliamentary Under-Secretary (Home Office) (Internet Safety and Security) (Unpaid)	The Baroness Shields OBE (Con)
Foreign and Commonwealth Office	
Secretary of State for Foreign and Commonwealth Affairs	Rt Hon Boris Johnson MP (Con)
	Rt Hon Sir Alan Duncan MP (Con)
Minister of State (Foreign and Commonwealth Office)	The Rt Hon. the Baroness Anelay of St Johns DBE (Con)
Parliamentary Under-Secretary (Foreign and Commonwealth Office)	Alok Sharma MP (Con)
	Mr Tobias Ellwood MP (Con)
Ministry of Defence	
Secretary of State for Defence	Rt Hon Michael Fallon MP (Con)
Minister of State (Ministry of Defence)	Rt Hon Mike Penning MP (Con)
	The Rt Hon. the Earl Howe (Con)
Parliamentary Under-Secretary (Ministry of Defence)	Harriett Baldwin MP (Con)

	<u>Mark Lancaster MP (Con)</u>
Ministry of Justice	
Lord Chancellor and Secretary of State for Justice	<u>Rt Hon Elizabeth Truss MP (Con)</u>
Minister of State (Ministry of Justice)	<u>Sir Oliver Heald QC MP (Con)</u>
Parliamentary Under-Secretary (Ministry of Justice)	<u>Mr Sam Gyimah MP (Con)</u> <u>Dr Phillip Lee MP (Con)</u>
Lords Spokesperson (Ministry of Justice)	<u>The Lord Keen of Elie QC (Con)</u>
Department for Education	
Secretary of State for Education	<u>Rt Hon Justine Greening MP (Con)</u> <u>Rt Hon Robert Halfon MP (Con)</u>
Minister of State (Department for Education)	<u>Edward Timpson MP (Con)</u> <u>Nick Gibb MP (Con)</u>
Minister of State (Department for Education) (Universities and Science) (Joint with the Department for Business, Energy and Industrial Strategy)	<u>Joseph Johnson MP (Con)</u>
Parliamentary Under-Secretary (Department for Education)	<u>Caroline Dinenage MP (Con)</u> <u>The Lord Nash (Con)</u>
Lords Spokesperson (Department for Education) (Higher Education)	<u>The Viscount Younger of Leckie (Con)</u>
Department for Exiting the European Union	
Secretary of State for Exiting the European Union	<u>Rt Hon David Davis MP (Con)</u>
Minister of State (Department for Exiting the European Union)	<u>Rt Hon David Jones MP (Con)</u>
Parliamentary Under-Secretary (Department for Exiting the European Union)	<u>The Lord Bridges of Headley MBE (Con)</u> <u>Mr Robin Walker MP (Con)</u>
Department for International Trade	
Secretary of State for International Trade and President of the Board of Trade	<u>Rt Hon Dr Liam Fox MP (Con)</u>
Minister of State (Department for International Trade)	<u>The Lord Price CVO (Con)</u> <u>Rt Hon Greg Hands MP (Con)</u>
Parliamentary Under-Secretary (Department for International Trade)	<u>Mark Garnier MP (Con)</u>
Department for Business, Energy and Industrial Strategy	
Secretary of State for Business, Energy and Industrial Strategy	<u>Rt Hon Greg Clark MP (Con)</u>
Minister of State (Department for Business, Energy and Industrial Strategy)	<u>The Baroness Neville-Rolfe DBE CMG (Con)</u> <u>Mr Nick Hurd MP (Con)</u>
Minister of State (Department for Business, Energy and Industrial Strategy) (Universities and Science) (Joint with the Department for Education)	<u>Joseph Johnson MP (Con)</u>
Parliamentary Under-Secretary (Department for Business, Energy and Industrial Strategy)	<u>Margot James MP (Con)</u> <u>Jesse Norman MP (Con)</u>

Department of Health

Secretary of State for Health	Rt Hon Jeremy Hunt MP (Con)
Minister of State (Department of Health)	Mr Philip Dunne MP (Con)
Parliamentary Under-Secretary (Department of Health)	Nicola Blackwood MP (Con) David Mowat MP (Con)
Parliamentary Under-Secretary (Department of Health) (NHS Productivity)	The Lord Prior of Brampton (Con)

Department for Work and Pensions

Secretary of State for Work and Pensions	Rt Hon Damian Green MP (Con)
Minister of State (Department for Work and Pensions)	Damian Hinds MP (Con) Penny Mordaunt MP (Con)
Minister of State (Department for Work and Pensions) (Welfare Reform)	The Rt Hon. the Lord Freud (Con)
Parliamentary Under-Secretary (Department for Work and Pensions)	Richard Harrington MP (Con) Caroline Nokes MP (Con)

Department for Transport

Secretary of State for Transport	Rt Hon Chris Grayling MP (Con) Paul Maynard MP (Con)
Parliamentary Under-Secretary (Department for Transport)	The Lord Ahmad of Wimbledon (Con) Andrew Jones MP (Con)

Department for Communities and Local Government

Secretary of State for Communities and Local Government	Rt Hon Sajid Javid MP (Con)
Minister of State (Department for Communities and Local Government) (Housing, Planning and London)	Gavin Barwell MP (Con)
Parliamentary Under-Secretary (Department for Communities and Local Government)	The Lord Bourne of Aberystwyth (Con) Andrew Percy MP (Con)
Parliamentary Under-Secretary of State (Department for Communities and Local Government) (Local Government)	Mr Marcus Jones MP (Con)

Office of the Leader of the House of Commons

Lord President of the Council and Leader of the House of Commons	Rt Hon David Lidington MP (Con)
Deputy Leader of the House of Commons	Michael Ellis MP (Con)

Office of the Leader of the House of Lords

Leader of the House of Lords and Lord Privy Seal	The Baroness Evans of Bowes Park (Con)
Deputy Leader of the House of Lords	The Rt Hon. the Earl Howe (Con)

Scotland Office

Secretary of State for Scotland	Rt Hon David Mundell MP (Con)
Parliamentary Under-Secretary (Scotland Office)	The Lord Dunlop (Con)

Wales Office

Secretary of State for Wales	Rt Hon Alun Cairns MP (Con)
Parliamentary Under-Secretary (Wales Office)	Guto Bebb MP (Con) The Lord Bourne of Aberystwyth (Con)

Northern Ireland Office

Secretary of State for Northern Ireland [Rt Hon James Brokenshire MP \(Con\)](#)

Parliamentary Under-Secretary (Northern Ireland Office) [The Lord Dunlop \(Con\)](#)

[Kris Hopkins MP \(Con\)](#)

Department for Environment, Food and Rural Affairs

Secretary of State for Environment, Food and Rural Affairs [Rt Hon Andrea Leadsom MP \(Con\)](#)

Minister of State (Department for Environment, Food and Rural Affairs) [George Eustice MP \(Con\)](#)

Parliamentary Under-Secretary (Department for Environment, Food and Rural Affairs) [Dr Thérèse Coffey MP \(Con\)](#)

Parliamentary Under-Secretary (Department for Environment, Food and Rural Affairs) [The Lord Gardiner of Kimble \(Con\)](#)

Department for International Development

Secretary of State for International Development [Rt Hon Priti Patel MP \(Con\)](#)

Minister of State (Department for International Development) [The Rt Hon. the Baroness Anelay of St Johns DBE \(Con\)](#)

[Rory Stewart MP \(Con\)](#)

Parliamentary Under-Secretary (Department for International Development) [James Wharton MP \(Con\)](#)

Cabinet Office

Prime Minister, First Lord of the Treasury and Minister for the Civil Service [Rt Hon Theresa May MP \(Con\)](#)

Chancellor of the Duchy of Lancaster [Rt Hon Patrick McLoughlin MP \(Con\)](#)

Paymaster General and Minister for the Cabinet Office [Rt Hon Ben Gummer MP \(Con\)](#)

Parliamentary Under-Secretary (Cabinet Office) [Chris Skidmore MP \(Con\)](#)

Lords Spokesperson (Cabinet Office) [The Baroness Chisholm of Owlpen \(Con\)](#)

Department for Culture, Media and Sport

Secretary of State for Culture, Media and Sport [Rt Hon Karen Bradley MP \(Con\)](#)

Minister of State (Department for Culture, Media and Sport) (Digital Policy) [Rt Hon Matt Hancock MP \(Con\)](#)

Parliamentary Under-Secretary (Department for Culture, Media and Sport) [The Lord Ashton of Hyde \(Con\)](#)

[Mr Rob Wilson MP \(Con\)](#)

[Tracey Crouch MP \(Con\)](#)

Parliamentary Under-Secretary (Department for Culture, Media and Sport) (Internet Safety and Security) (Unpaid) [The Baroness Shields OBE \(Con\)](#)

Attorney General's Office

Attorney General [Rt Hon Jeremy Wright QC MP \(Con\)](#)

Solicitor General (Attorney General's Office) [Robert Buckland MP \(Con\)](#)

Office of the Advocate General for Scotland

Advocate General for Scotland [The Lord Keen of Elie QC \(Con\)](#)

HM Household

Treasurer of HM Household (Deputy Chief Whip, House of Commons)	<u>Rt Hon Anne Milton MP (Con)</u>
Comptroller (HM Household) (Deputy Chief Whip, House of Commons)	<u>Mel Stride MP (Con)</u>
Vice Chamberlain (HM Household) (Whip, House of Commons)	<u>Julian Smith MP (Con)</u>
Captain of the Honourable Corps of Gentlemen-at-Arms (HM Household) (Chief Whip, House of Lords)	<u>The Rt Hon. the Lord Taylor of Holbeach CBE (Con)</u>
Captain of the Queen's Bodyguard of the Yeomen of the Guard (HM Household) (Deputy Chief Whip, House of Lords)	<u>The Earl of Courtown (Con)</u>
	<u>The Rt Hon. the Lord Young of Cookham CH (Con)</u>
	<u>The Baroness Goldie DL (Con)</u>
Lord in Waiting (HM Household) (Whip)	<u>The Baroness Mobarik CBE (Con)</u>
	<u>The Baroness Chisholm of Owlpen (Con)</u>
	<u>The Viscount Younger of Leckie (Con)</u>
	<u>The Lord Ashton of Hyde (Con)</u>