Preparing for Brexit

A Toolkit for Small and Medium-Sized Enterprises (SMEs) - developed by Calderdale College associates on behalf of York, North Yorkshire and East Riding Local Enterprise Partnership

Co-financed by:
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1. Acknowledgements

Calderdale College and its Associate partner Pye Tait would like to thank York, North Yorkshire and East Riding Local Enterprise Partnership (YNYER LEP) for their invaluable support in the production of this Toolkit and the 28 businesses across the LEP area who helped to inform its content through participation in workshops and telephone research reviews.

2. Background and Purpose of the Toolkit

Many small and medium-sized enterprises (SMEs) are uncertain about what the UK’s exit from the European Union (EU) will mean for their business. Furthermore, until Brexit negotiations are complete, it is understandably difficult for SMEs to plan for change. One thing is clear however – businesses acknowledge that at least thinking about change is imperative.

The concept of this Toolkit originated with the YNYER LEP, who subsequently commissioned and funded its development in 2017 to help SMEs across North Yorkshire and the East Riding to prepare for Brexit. The Toolkit cannot provide all the answers but aims to strengthen growth prospects by enabling businesses to identify emerging opportunities and address some likely challenges arising from the UK’s exit from the European Union.

The Toolkit also supports the LEP to meet its skills priorities through the Skills Support for the Workforce Programme, which receives funding from the European Social Fund (ESF) and is managed on behalf of the LEP by Calderdale College. The role of the LEP is to support economic growth by working with partners and attracting investment to help the area’s businesses to successfully start up and grow.

Using the Toolkit to help your business

The Toolkit is aimed at SMEs, including Owner/Managers, Chief Executives/Managing Directors, Directors and Senior Management Teams in any industry sector. The Toolkit cannot provide all the answers to Brexit but aims to make planning easier by:

✓ highlighting major themes which may be relevant to your business, irrespective of the outcomes from the Brexit negotiations;
✓ posing questions for you to ask within your business and in relation to your target markets and suppliers, so you can consider the opportunities and risks that Brexit may present;
✓ helping you to identify and prioritise actions to take ahead of Brexit, as well as longer term considerations for your business once the UK has left the European Union; and,
✓ listing a few resources for further help and information.
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The best way to use this Toolkit is to read it through and decide which of its major themes are of strongest relevance to your businesses. By keeping in mind the question “What does this mean for my business?” you will be well prepared to complete the Action Plan template in Appendix 1 – a starting point for you to develop and adapt as you see fit.

3. Development of the Toolkit

All research and development activity to inform this Toolkit was undertaken independently and impartially by Pye Tait Consulting under contract to Calderdale College between autumn 2017 and spring 2018.

The research involved three roundtable discussion forums and a series of in-depth telephone interviews with SMEs based across North Yorkshire and the East Riding of Yorkshire. Businesses from a range of industry sectors were invited to take part using a random sampling approach, whilst ensuring representation from five sectors of strategic importance to the LEP in terms of future economic growth: Construction; Engineering; Food Manufacturing; Health and Social Care; and the Visitor Economy.

4. Brexit Demystified

Progress to date with the negotiations

The UK and EU negotiating teams meet face-to-face for one week each month. Their first tasks in the negotiations were to agree on:

- the rights of UK and EU citizens post-Brexit;
- a figure for the amount of money the UK will pay the EU to meet its already-agreed obligations (the so-called ‘divorce bill’); and
- what happens to the border between Northern Ireland and the Republic of Ireland.

In December 2017, the EU Council was satisfied that sufficient progress had been made in relation to each of these areas to allow talks to proceed to the topic of trade. Around the same time, the UK government announced that Parliament would be given a take-it-or leave-it vote on the final Brexit deal before the UK leaves the EU. It is important to note that the UK will leave the EU irrespective of whether MPs back or reject the terms of the deal negotiated between the government and the EU Commission.

Important dates

On 29th March 2017, in accordance with Article 50 of the Treaty on European Union, the UK notified the European Council of its intention to leave the European Union. The UK will leave the EU on 29th March 2019. EU law, however, will still stand in the UK until it ceases being a member following the completion of a ‘transition period’ which is expected to last until December 2020 to allow the smooth implementation of arrangements.
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About the European Union (Withdrawal) Bill

The government introduced the European Union (Withdrawal) Bill to Parliament in July 2017. The successful passage of this ‘Great Repeal Bill’ (as it has been called) will end the primacy of EU law in the UK, incorporating all EU legislation into UK law, after which the government will decide over a period of time which parts to keep, change, or remove.

Common Brexit terminology

The EU single market allows the free movement of goods, people, money, and some services within the EU, as if it was a single country. Leaving the single market could lead to a system of tariffs being put in place affecting international trade. Under such a system, EU member states would impose tariffs on goods imported from the UK. The reverse would be true for goods the UK imports from EU nations.

The customs union is a sub-group of EU member states that have agreed to charge the same import duties and trade freely with one another, without customs checks at borders. However, this arrangement limits their freedom to strike their own trade deals.

The World Trade Organisation (WTO) governs international trade between more than 160 member-nations. If the UK does not reach an agreement with the EU on a future trading relationship after Brexit (a so-called ‘hard Brexit’ option) then the default position is that WTO rules would apply on trade between the UK and the EU, and between the UK and other countries (including countries with which the EU has trade deals).

The Four Big Topics for SMEs

Based on the findings of this research, the remainder of this Toolkit focuses on four major themes associated with Brexit that could impact on SMEs. These are:

Access to Labour and Skills
Legal and Regulatory Change
Sales and Supply Chains
Wider HR-related Issues

What do these mean for your business?

The next four chapters take these topics in turn and explore:

✓ expectations and potential threats/opportunities for SMEs;
✓ examples of what businesses in Yorkshire are doing; and
✓ actions that business owners and managers should consider taking (bearing in mind not all will suit all SMEs)
5. Access to Labour and Skills

Expectations at the time of writing:

EU citizens who have been continuously and lawfully living in the UK for five years by 31st December 2020 will be able to apply to stay in the UK indefinitely by obtaining ‘settled status’. They will be free to live in the UK, have access to public funds and services and go on to apply for British citizenship.

EU citizens who arrive by 31st December 2020, but will not have been living in the UK lawfully for five years when the UK leaves the EU, will be able to apply to stay until they have reached the five-year threshold. They can then also apply for settled status.

At the time of writing, it is not clear what will be required of individuals to obtain settled status, nor what will be required of EU citizens arriving in the UK from 1st January 2021.

Threats

- Additional immigration controls could be placed on EU workers arriving in the UK. This means additional resources and flexibility may be needed by employers to support EU staff through the process of applying for a permit or Visa;
- Employers may need to invest more time and money in recruitment activities;
- Total EU migrant workers moving to, or choosing to remain in the UK, declines due to complex sets of economic and/or social factors;
- Replacing any lost EU workers with home-grown talent could squeeze profits or lead to price rises if UK workers have higher pay expectations.

Opportunities

- Employers can strengthen training arrangements to mitigate or overcome any likely skills shortages caused by a reduction in available EU workers, which could boost productivity overall;
- Employers could look to new markets outside the EU to source labour and skills which they are unable to find within the UK.

Snapshot: What businesses in Yorkshire are doing:

For construction and engineering employers, Brexit appears more likely to affect access to skilled labour from the EU, whereas in Health and Social Care, Food Manufacturing and the Visitor Economy, this tends to be more applicable to unskilled labour.

- A care home in North Yorkshire expects to work closely with funders and stakeholders to discuss the impact of any loss of
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EU migrant workers and ensure that plans and funds can be sought to plug those gaps as soon as possible;

- For a food and drink business, the plan is to keep a close eye on Brexit negotiations and monitor if EU migrant applicants fall before deciding what action to take;

- A construction sector firm in the East Riding also plans to respond to changes as they arise, such as making recruitment and training decisions to overcome any loss of skills;

- A pet food supplier plans to look carefully at changes that may be needed to its recruitment strategy to ensure continuity of workforce skills following Brexit;

- A port infrastructure firm is committed to ensuring access to suitably qualified staff within the UK by working with schools and other education providers to promote careers in their area of work and help to build a future talent pipeline;

- A technology company is considering putting in place longer term staff contracts to incentivise and encourage existing EU migrant workers to remain in the UK.

Actions to consider:

- Understand, for example via a staff survey or discussions, employee attitudes and motivations, including any intentions of staff to leave the UK. Use this information in conjunction with job role analysis to check and ensure adequate succession planning;

- Consider increasing investment in training and skills development to aid staff retention. Explore course options and costs with external training providers;

- Widen recruitment channels and explore new talent pools in the event immigration policy becomes more restrictive;

- Consider strengthening staff benefits and incentives;

- Put in place procedures for assisting EU staff with citizenship/Permit/Visa applications as appropriate;

- Consider alternative ways of managing labour, such as restructuring work, redeploying resources (including international remote working), outsourcing, collaborative working, and/or increasing levels of automation.

Key Resource:

- The CIPD Brexit Hub
  https://www.cipd.co.uk/news-views/brexit-hub#
6. Legal and Regulatory Change

Expectations at the time of writing:

Regulations can create the conditions for consumer trust, healthy competition, productivity and innovation, but can easily become stifling for SMEs where they are perceived as incurring too much bureaucracy, confusion or expense.

Research by the Federation of Small Businesses (FSB)\(^1\) has identified the following main regulatory areas that most SMEs work to on a regular basis:

- employment law;
- health and safety;
- data protection;
- company law;
- pensions;
- tax administration.

Other regulatory areas which may affect some businesses more than others include (but are not limited to): environmental regulations, waste management, consumer legislation, product safety/liability and product standards.

In terms of employment law, EU law protects the rights of workers across the UK. It covers areas such as:

- conditions of employment, for example covering working hours, part-time and fixed-term work, discrimination, pay measures, and the protection of pregnant workers;
- informing and consulting workers in collective redundancy and business transfer situations; and
- protection of personal data.

The EU Withdrawal Bill will transcribe EU law into UK law and increase the UK’s powers (including those of the devolved nations) to develop its own legislation in the future. The new Bill seeks to ensure that, wherever possible and practicable, the same rules and laws will continue to apply when the UK leaves the EU, with a view to allowing as smooth a transition period as possible.

The UK government is aiming for a phased implementation of new arrangements with the EU following Brexit. This period could vary in length depending on the sectors and issues involved, however, the aim is to avoid a “cliff edge” scenario where companies are uncertain about how regulation applies to them post-Brexit.

The position is one of ‘business as usual’ until the Brexit negotiations make clear which laws and regulations will change, and to what extent.

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\(^1\) FSB (2018) Regulation Returned – What small businesses want from Brexit
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Possible for businesses:

- Contracts and supplier warranties written under current EU and UK law may need to be changed;
- Intellectual property rights could be affected;

Opportunities:

- The likelihood of a longer “status quo” period will provide predictability for SMEs in a familiar set of rules;
- For the UK there is an opportunity for developing legislation that is more supportive of, and tailored to, the needs of UK businesses and a smaller, more homogenous population;
- Any changes to EU legislation under UK law will be gradual and phased over a lengthy time-period, allowing time for consultation with industry and minimising upheaval;
- Relative stability in regulations will provide a stronger sense of job security and motivation for all employees, including those from the EU.

For an events business working in the visitor economy, it will be important to identify any adaptations needed where changes to natural environment protections affect the business and how it operates;

A farm business plans to continue monitoring how Brexit may affect subsidies and their current strategy is to remain agile and maintain focus on being a low-cost producer;

For a fisheries business, any additional inspection requirements imposed on caught products could affect how quickly these can move through the supply chain, potentially requiring additional resources to maintain efficient movement of stock;

A digital infrastructure firm plans to keep a watching brief on any changes to two-year warranties on electronics and the potential impact of any changes to the Energy Performance of Buildings Directive;

A technology business is keeping an eye on how intellectual property protections may change post-Brexit, which may require additional actions to maintain design rights.

Snapshot: What are businesses in Yorkshire are doing:

- A food and drink business is taking the stance of keeping reserve stock levels relatively low in case labelling and packaging rules change
### Actions to consider:

- ✓ Identify EU legislation that currently applies to your business;
- ✓ Use relevant trade bodies or other business associations for information, advice and to keep abreast of Brexit developments;
- ✓ Consider the likely impact (positive and negative) of any legislative change, e.g. in terms of revenue, costs, tax, administration, staff, and/or specialist advice and expertise;
- ✓ Identify any changes required to make to maximise positive impact and minimise negative impact;
- ✓ Consider a more ‘agile’ approach to stock and contracting arrangements, e.g. holding less stock if legal change could make it redundant, and contracting long-term without specialist advice if change could impact profitability.

### Key Resource:


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### 7. Sales and Supply Chains

#### Expectations at the time of writing:

The UK’s exit from the EU will affect how its international supply chains operate. The nature and extent of change will depend on the UK’s final agreed trading relationship with the EU and its position inside or outside the single market and/or the customs union.

After we leave the EU, tariffs may be charged on imports from, and exports to, the EU (however this is by no means certain). There could also be more customs administration when exporting and importing goods. As always, traders need to watch the value of the pound. Sterling may appreciate or depreciate after Brexit but this will depend very much on how successfully the UK manages the process.

A 2017 survey conducted by the Chartered Institute of Procurement & Supply (CIPS) found that 40% of UK businesses that use EU suppliers are looking for UK-based replacements and 63% of European businesses expect a bigger portion of their supply chains to be outside the UK².

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² CIPS (2017) The Brexit Storm – How procurement and supply chain professionals are tackling the issues
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**Threats**

- If the UK leaves the single market and customs union, any new import/export tariffs could impose additional overheads, administrative burdens and possibly port delays on SMEs;
- Tariffs imposed by the EU on certain imports from the UK, could affect the viability of those markets;
- These factors could mean SMEs need to increase prices at home, which could lead to buyer resistance;
- International trade could become more difficult to plan and predict if the pound suffers continuing volatility.

**Opportunities**

- Exploring new non-EU markets such as the US, China and Australia (NB: The EU represents a market of almost 300 million people but the rest of the world represents a market of around 6.5 billion potential customers);
- Enhancing competitiveness by strengthening skills in procurement and supply chain management to build new contacts, forge new and strengthen existing relationships;
- Any depreciation of Sterling is likely to increase the competitiveness of UK products in EU states and new overseas markets.

**What businesses in Yorkshire are doing:**

- A care home mentioned that most of their suppliers are based in North Yorkshire. They are preparing for prices to increase post-Brexit by developing knowledge of other local suppliers as possible alternatives;
- Two travel businesses (one in North Yorkshire and the other in the East Riding) are monitoring customer demand so they can respond to changing holiday patterns, for example the value of sterling could boost the ‘staycation’ market where individuals choose to holiday in the UK;
- A pet food business is looking to forge links with other brand providers in the UK to ease their import burden by supplying products for use under their own brands;
- A farm in North Yorkshire feels much will depend on continued ease of access to EU markets, but is considering diversification options such as a retail/farm shop business;
- Post-Brexit, a recruitment manager expects her clients to become more focused on recruiting senior managers from within the UK rather than the EU (due to availability of applicants), which could lead to an increase in competition as other UK recruitment companies enter the same market;
- A finance business has already experienced an increase in demand for financial advice following the UK’s vote to leave the EU and in response to fluctuations in the financial markets.
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*They expect this to continue and plan to capitalise on this change through focused marketing and communication efforts;*

- A fishing business in the East Riding is concerned about the risk of delays at ports, which could affect the quality of fish by the time it reaches its destination further down the supply chain. They reach their destination.

**Actions for business owners and managers to consider:**

- Build a simple but clear picture of your supply chain from end to end, including the origin of goods and if/how they flow into and out of the UK. Use this to determine the extent of your dependence on EU countries for revenue growth;

- Once known, identify whether import/export tariffs would apply to goods in your supply chain and the points of tariff-related costs and new customs admin processes;

- If there are to be any tariffs, estimate the likely impact, e.g. on pricing, supply chain operations, competitiveness, longer distribution timescales and any risk to perishable goods;

- Determine which of your suppliers could be most affected and consider other suppliers who have a competitive advantage;

- Consider how these changes might be seen by your customers and protect relationships where possible, for example by offering incentives or price guarantees;

- Review current sites and markets (via a SWOT analysis of Strengths, Weaknesses, Opportunities and Threats)) to assess continuing viability and consider the benefits/risks of an exit or replacement strategy;

- Research and explore potential new markets, taking steps to assess demand for your products, establish contacts and develop new relationships;

- Identify and make use of support mechanisms for reaching new international markets, for example via international advisers in banks or the Department for International Trade;

- Monitor changes to international trading arrangements and identify risks and opportunities, for example via colleagues or externally sourced advisors in risk management, compliance, finance, legal, operations, sales and marketing;

- Review current and potential future contracts to determine those which may require renegotiation.

**Key Resources:**

- Brexit as a marketing opportunity [https://www.campaignlive.co.uk/article/marketing-leaders-brexit-opportunity-not-threat/1441391](https://www.campaignlive.co.uk/article/marketing-leaders-brexit-opportunity-not-threat/1441391)

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Trade and Export Resources:

- Department for International Trade
  https://www.great.gov.uk/

- UK Government Export Basics
  https://www.gov.uk/starting-to-export

- British Chambers of Commerce
  https://www.britishchambers.org.uk/

- Institute of Export
  https://www.export.org.uk/
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8. Wider HR-related Issues

These tiles suggest various cross-cutting actions designed to help you embed Brexit-related changes effectively within your business.

- Identify a means of keeping on top of Brexit developments
- Collect/consolidate key workforce data, e.g. nationality/work location
- Allocate review points/team meetings to check planned actions for Brexit are on track/any risks
- Keep on top of new data protection rules driven through GDPR
- Know who to contact for specialist information and advice when needed
- Determine which technology programmes should be pushed forward or postponed, to ensure a smooth Brexit transition
- Assess the impact of volatility on bonuses and incentives
- Ensure central polices are flexible enough to allow timely responses
- Be responsive to staff concerns/issues and support well-being
- Identify opportunities to increase efficiency and productivity
- Maintain trust among staff, customers, suppliers and stakeholders through clear and transparent communications
- Ensure communications are updated as your business decides how to respond to Brexit developments
- Ensure clarity of information for the workforce, for example on policies, procedures and benefits
- Set the right tone:
  - Purposeful
  - Calm and positive
  - Future-focused
  - Non-judgmental of individuals’ views about Brexit

Key Resource:
✓ PWC – Brexit – a key role for HR
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9. Prioritising Topics for Action Planning

The preceding chapters (5 to 8) set out a range of possible Brexit-scenarios, their likely impact, and suggested actions to help prepare for Brexit.

Before taking steps to shape these into an action plan, determine which are going to be your biggest priorities.

Try rating each of the following 12 statements on a scale from 1 ‘very low’ to 10 ‘very high’ importance.

<table>
<thead>
<tr>
<th>Statements</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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</table>

Statements generating the highest ratings will be your highest priorities for Brexit action-planning.

Legal and Regulatory Change:

4. how much changes in employment law, including employee rights, could affect your organisation
5. how much other EU regulations, e.g. those specific to your industry sector, affect your business
6. extent to which very specific EU regulations are critical to your business operations

Sales and Supply Chains:

7. extent of your dependence on EU trade
8. extent of your dependence on international trade
9. importance of EU trade to the future of your organisation
10. extent to which your suppliers are dependent on imports and exports from and to the EU
11. the availability of alternative international markets

Wider HR-related Issues:

12. amount of additional time your business needs to make available to support staff with HR-related queries
13. extent of additional commitment your organisation needs to give for staff development and training
14. extent of additional communications-focus needed to clearly articulate Brexit-related changes for the workforce
10. Business Skills for Brexit

The following list of skills (not intended to be exhaustive) will help you to prepare effectively for Brexit. You may already hold these skills, they may exist elsewhere in your organisation, or you may need to tap into external and specialist expertise. You could also consider participating in a training course to help you develop these skills further.

The extent to which you need these skills will depend on the nature of your business and its priorities.

- PESTLE analysis to identify how Brexit could lead to changes affecting the business under the categories of Political, Economic, Social, Technological, Legal and Environmental;

- Strategic planning, for example reviewing existing markets, assessing the potential of new markets and products, and determining whether any business restructuring is needed;

- Being able to maximise operational efficiencies, for example by planning for and managing additional costs and administrative burdens;

- Undertaking workforce skills needs analyses to determine which current skills are most dependent on EU workers, the relative value of these skills and risks associated with losing them;

- Recruitment and selection skills;

- Understanding the detail around tariffs and tax implications resulting from the final Brexit deal;

- Supply-chain auditing to identify where goods could be subject to trade tariffs and what the implications are likely to be;

- Sales, marketing and exporting skills;

- Language skills;

- Effective negotiation, for example with clients, suppliers, stakeholders and internal teams;

- Procurement skills;

- Developing contacts, for example among membership bodies, advisers and specialist consultants.

- Strong and supportive leadership;

- Scenario and action planning.
11. Creating a Brexit Action Plan

Step 1 – Identifying opportunities and challenges

- What opportunities does Brexit present for your business?
- What are the challenges?
- Consider these two questions and subsequent responses in relation to the four big topics covered in the preceding pages.

Step 2 – Planning responses

- What **short-term actions** are required to respond to the opportunities and challenges identified? Focus on the next three months and include such things as information-building and intelligence gathering, assessing the status quo, determining and appraising options and planning for change;

- What **medium term actions** are needed? A 12-month time-span focused on implementing changes to stand the business in best stead following the transitional phase of the UK’s relationship with the EU. These might include devising new recruitment strategies, investing in training and skills development, refining internal policies and negotiating new contract arrangements;

- What are the **long-term actions**? Looking beyond 12 months and likely to be more strategic in nature, for example monitoring and reviewing new processes and initiatives, making adjustments or implementing longer term plans that require advance planning, such as building and strengthening new international relationships.

Step 3 – Allocating roles and responsibilities

- Who in your organisation will be best placed to oversee each action? Who else will need to be involved and what will their responsibilities be?
- Which other departments and individuals will need to be consulted to ensure there are no unintended consequences or conflicts of interest?
- Develop objectives, targets and monitoring arrangements needed to ensure change is smooth and successful.

Step 4 – Additional support

- Know the limits of your team’s knowledge/expertise and establish topics and questions that will require additional input to fulfil all planned actions;
- Monitor the resources listed in the Toolkit as a minimum to ensure your company is up to date and well prepared;
- Decide what additional and specialist expertise will be needed and explore costs and options for tapping into this, for example via online resources and other literature, legal advice, through membership of trade bodies or other business networks.
Step 5 – Continuous Review

- Set timescales for each action and undertake incremental progress reviews to ensure the plan is on track.
- Update the Action Plan as necessary, as a live and working document.

Now turn to Appendix 1 for a template Action Plan for you to take forward.

A completed exemplar is presented in Appendix 2.
### Appendix 1 – Template Brexit Action Plan

**Access to Labour and Skills**

<table>
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<th>Actions to take:</th>
<th>Role allocations (for actions):</th>
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<td>Progress review date (future):</td>
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## Legal and Regulatory Change

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# Sales and Supply Chains

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# HR-related issues

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### Other Actions

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<td>1.</td>
<td>Short term (within 3 months):</td>
<td>Who will have direct oversight? Who else needs to be involved?</td>
</tr>
<tr>
<td></td>
<td>Medium term (4 to 12 months):</td>
<td>Progress review date (future):</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>Additional support needed:</td>
</tr>
<tr>
<td>3.</td>
<td>Longer term (beyond 12 months):</td>
<td>What additional/external support will be needed? (Please be as specific as possible)</td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
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<tr>
<td>5.</td>
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</tbody>
</table>
## Access to Labour and Skills

<table>
<thead>
<tr>
<th>Brexit opportunities and challenges</th>
<th>Actions to take:</th>
<th>Role allocations (for actions):</th>
</tr>
</thead>
</table>
| 1. The business is made of 20% EU migrant workers, most of whom are skilled. A continued depreciation in sterling may result in a ‘brain drain’ and difficulties replacing these staff | **Short term (within 3 months):**
Monitor Brexit developments via official government sources online
Identify members of the workforce likely to be affected by changes
Consult with the workforce to identify any issues, concerns or support needs

**Medium term (4 to 12 months):**
Strengthen the brand internally to promote the business as a great and inclusive place to work
Investigate/cost up different training options to develop skills of all staff, especially if there is a risk of loss of any EU skill ed staff
Look at possibilities for remote working.

**Longer term (beyond 12 months):**
Keep recruitment plans flexible. Consider longer term staff contracts | Who will have direct oversight? Who else needs to be involved?
Overseen by Katie T, Head of HR
Support from HR Assistant
Progress review date (future):
Day/month/year |
| 2. The rights of EU workers to live and work in the UK appears to be protected under the latest Brexit developments, but the business lacks clarity on how long some have been resident in the UK, how their rights may be affected and what their future intentions may be in light of Brexit | | Additional support needed: |
| 3. There could be a need for additional recruitment and training to prevent the risk of skills shortages following the loss of any EU workers | | What additional/external support will be needed? (Please be as specific as possible) |
| 4. The British government could ease visa and work-permit rules on workers from non-EU nations thereby making recruitment easier | | Possible need for legal advice on changes to staff contracts |
| 5. | | Explore options for funded training in the area |
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### Legal and Regulatory Change

<table>
<thead>
<tr>
<th>Brexit opportunities and challenges</th>
<th>Actions to take:</th>
<th>Role allocations (for actions):</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Trademark and design rights may lapse.</strong></td>
<td><strong>Short term (within 3 months):</strong> Monitor developments in the transition of EU legislation to UK law and take necessary action to protect design rights.</td>
<td>Who will have direct oversight? Who else needs to be involved? Overseen by Samantha P, Legal and Compliance Manager Support from HR Operations Team</td>
</tr>
<tr>
<td><strong>2. Contracts may contain mechanisms that are triggered by Brexit, e.g. ‘Force Majeure’</strong></td>
<td><strong>Medium term (4 to 12 months):</strong> Review client and supplier contracts and identify those that are at risk. Renegotiate where necessary.</td>
<td>Progress review date (future): Day/month/year</td>
</tr>
<tr>
<td><strong>3. Data Protection – We’ve adapted to General Data Protection Regulation (GDPR) which took some time, and it is unclear how this may change following Brexit</strong></td>
<td>** Longer term (beyond 12 months):** Review internal policies and procedures to check if they will remain fit for purpose post-Brexit Adapt internal policies and procedures as appropriate.</td>
<td>Additional support needed: What additional/external support will be needed? (Please be as specific as possible) Refer to the trade association for additional guidance on protecting design rights</td>
</tr>
<tr>
<td><strong>4. Certain procedures and contracts may become clearer and less burdensome if the UK begins to establish its own legal frameworks after Brexit</strong></td>
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</tbody>
</table>

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## Sales and Supply Chains

<table>
<thead>
<tr>
<th>Brexit opportunities and challenges</th>
<th>Actions to take:</th>
<th>Role allocations (for actions):</th>
</tr>
</thead>
</table>
| **1.** The cost of materials from suppliers could rise since we are dependent on EU imports and potentially subject to import tariffs | **Short term (within 3 months):**  
Undertake a complete supply chain audit to map where parts originate  
Speak to suppliers to gauge their thoughts and views on the likely impact of Brexit on imports | Who will have direct oversight? Who else needs to be involved?  
Overseen by Ivanna V, Procurement Manager  
Interface with Operations team  
**Progress review date (future):**  
Day/month/year |
| **2.** For import contracts paid in Euros or dollars, the exchange rate could become less favourable if the pound does not gain ground | **Medium term (4 to 12 months):**  
Explore options for diversifying suppliers if there is a risk of price hikes and where these are too high to absorb within existing relationships | |
| **3.** Uncertainty exists around the continuation of warranties | For dollar contracts, be aware of exchange rate fluctuations, check if this is causing problems and consider hedging | Additional support needed:  
What additional/external support will be needed? (Please be as specific as possible)  
Obtain specialist external advice on hedging |
| **4.** Weakness in Sterling will help our export drive | Check whether warranties on purchases will still be valid post-Brexit | |
| **5.** Huge opportunities in the much larger non-EU markets | **Longer term (beyond 12 months):**  
Implement any supplier changes, continue to monitor fluctuations in the pound and implement hedging if appropriate | |
### HR-related issues

<table>
<thead>
<tr>
<th>Brexit opportunities and challenges</th>
<th>Actions to take:</th>
<th>Role allocations (for actions):</th>
</tr>
</thead>
</table>
| **1.** Internal Service Level Agreements may need changing to ensure staff concerns about Brexit and their rights/entitlements are responded to quickly and to avoid backlogs | **Short term (within 3 months):**  
Review existing SLAs, estimate the rise in query volumes and potential impact on response timescales | Who will have direct oversight? Who else needs to be involved?  
Overseen jointly by Christina L, General Manager and Katie T, Head of HR |
| **2.** Some members of the team have very strong views on either Remain/Leave. There are signs of continuing friction which is having a demotivating impact on the rest of the staff | Have 1:1 discussions with key staff who appear to be causing friction among other members of the team, to discuss their concerns and encourage a more mutually respectful working environment | Progress review date (future):  
Day/month/year |
| **3.** Policies and procedures are currently not well publicised – Brexit presents an opportunity to update these and consider how they are shared | Review current policies and procedures and identify where changed will be needed | Additional support needed:  
What additional/external support will be needed? (Please be as specific as possible)  
Not yet determined. Update in due course if required. |
| **4.** If presented as a significant opportunity we have the opportunity to eliminate Brexit friction and ease unfounded fears. | **Medium term (4 to 12 months):**  
Implement new SLAs to deal with staff queries and  
Provide internal staff surgeries with members of the HR team for individuals to discuss any questions they may have about the impact of Brexit | |
| **5.** | **Longer term (beyond 12 months):**  
Update and share policies on the internal intranet. | |
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### Other Actions

<table>
<thead>
<tr>
<th>Brexit opportunities and challenges</th>
<th>Actions to take:</th>
<th>Role allocations (for actions):</th>
</tr>
</thead>
</table>
| 1. There is a possibility that some areas of business become unprofitable post-Brexit | **Short term (within 3 months):**  
Identify which areas of the business are at greatest risk following Brexit |  
Who will have direct oversight? Who else needs to be involved?  
Overseen jointly by Christina L, General Manager  
Progress review date (future):  
Day/month/year |
| 2. Such strategic issues must be addressed early and other opportunities explored and actioned | **Medium term (4 to 12 months):**  
Explore options for merging or closing certain functions/departments and discuss with senior leaders in those departments | |
| 3. | **Longer term (beyond 12 months):**  
Implement merger or closure plans, or maintain the status quo, depending on the continuing viability of those functions | |
| 4. | | |
| 5. | | |

### Additional support needed:

- What additional/external support will be needed? (Please be as specific as possible)
- Possible need for legal advice on mergers, closures and redundancy/redeployment matters
### Appendix 3 – Useful Contact Points

<table>
<thead>
<tr>
<th>ABTA – The Travel Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website: <a href="https://abta.com/">https://abta.com/</a></td>
</tr>
<tr>
<td>Phone: 0203 117 0500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>British Hospitality Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website: <a href="http://www.bha.org.uk/">http://www.bha.org.uk/</a></td>
</tr>
<tr>
<td>Phone: 0207 404 7744</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Care England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website: <a href="http://www.careengland.org.uk/">http://www.careengland.org.uk/</a></td>
</tr>
<tr>
<td>Phone: 0207 492 4840</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chartered Institute of Personnel and Development (CIPD):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website: <a href="https://www.cipd.co.uk/">https://www.cipd.co.uk/</a></td>
</tr>
<tr>
<td>Phone: 0208 612 6200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Civil Engineering Contractors Association (CECA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website: <a href="http://www.ceca.co.uk/">http://www.ceca.co.uk/</a></td>
</tr>
<tr>
<td>Phone: 0207 340 0450</td>
</tr>
</tbody>
</table>
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Department for International Trade (DIT)
Website: https://www.gov.uk/government/organisations/department-for-international-trade
Phone: 0207 215 5000 Email: enquiries@trade.gsi.gov.uk

European Consumer Centre for Services – List of United Kingdom Professional Bodies and Trade Associations:
Website: http://www.ukecc-services.net/ukpbata.cfm
Phone: 01268 886694 Email: eccs@tsi.org.uk

Federation of Master Builders (FMB)
Website: https://www.fmb.org.uk/
Phone: 0330 333 7777 Email: membership@fmb.co.uk

Federation of Small Businesses (FSB):
Website: https://www.fsb.org.uk/
Phone: 0808 2020 888 Email: customerservices@fsb.org.uk

Food and Drink Federation
Website: https://www.fdf.org.uk/
Phone: 0207 836 2460 Email: Enquiry form available on the website

Hull and Humber Chamber of Commerce:
Website: https://www.hull-humber-chamber.co.uk/
Phone: 01482 324976 Email: info@hull-humber-chamber.co.uk
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Skills Support for the Workforce:
Website: [http://ssw.fundingunit.org.uk/]({http://ssw.fundingunit.org.uk/})

York and North Yorkshire Chamber of Commerce:
Website: [http://york.wnychamber.co.uk/]({http://york.wnychamber.co.uk/})
Phone: 08455 240 240
Email: info@wnychamber.co.uk

York, North Yorkshire and East Riding Local Enterprise Partnership (YNYER LEP):
Website: [https://www.businessinspiredgrowth.com/]({https://www.businessinspiredgrowth.com/})
Phone: 01609 532681
Email: enquiries@businessinspiredgrowth.com

Yorkshire Powerhouse
Website: [https://yorkshirepowerhouse.com]({https://yorkshirepowerhouse.com})
Phone: 0113 892 1229
Email: hello@yorkshirepowerhouse.com