

## **BIG Panel 19/05/21 Appendix 2: EU Exit evaluation report BEIS contract delivery January – March 2021**

1. Using the Department for Business, Energy and Industrial Strategy (BEIS) money allocated to the Leeds City Region Enterprise Partnership (circa £250,000), contracts were put in place with the partners below to help businesses through the EU Transition/Exit. Delivery took place over three months between January and March 2021.
2. The following report evaluates the performance of the contract delivery from all partners, looking at the impact of the support they provided to businesses and future prospects.

### **Delivery partner and service:**

- Enterprise Growth Solutions – regional transition/technical support services and one to one advice
- Chamber International – trade related documentation support
- Mid Yorkshire Chamber of Commerce – trade related documentation support
- Squire Patton Boggs – EU legal support
- Greenborough – EU transition webinars
- UMi – internationalising marketing activity and websites webinars

### **Number of businesses supported**

Enterprise Growth Solutions	Chamber International	Mid Yorkshire Chamber of Commerce	Squire Patton Boggs	Greenborough	UMi
283	202	143	7	49	100
<b>Total number of businesses supported:</b>					
<b>784</b>					

### **Key issues and impact on sectors**

3. The main issues reported from partners which came out as most significant across the three months of delivery were; Rules of Origin (ROI), VAT, data compliance, commodity / tariff codes, intellectual property, travelling to the EU and Incoterms.
4. Insight collected by Enterprise Growth Solutions across the EU transition service and other contracts, showed that export order confidence (the % of companies that expect to generate an export order within the next 3 months) fell from February to March as the impact of the new regulations became clearer. However, over the same timeframe, there was a minor increase in the proportion of companies making positive plans although this is still well below average compared to previous months.
5. Some providers reported that the average time it took them to resolve queries was longer than anticipated as they were highly technical in nature.
6. A key trend which emerged is that some traders initially believed that the Trade and Cooperation Agreement (TCA) was effectively a free-trade agreement and therefore meant 'frictionless' trade. The realisation that the TCA still meant additional regulations and paperwork unfortunately meant additional costs and reduced margins for many businesses.

7. The main sectors engaged included manufacturing and engineering, logistics, food and drink, business services and creative industries. These businesses covered both importers and exporters, and most were affected in some way by the new regulations with the European Union.
8. The webinars feedback reflected that most businesses attending were inquisitive rather than coming with specific questions or issues, however manufacturing businesses were concerned about import/export documentation, delays caused by paperwork and effects on cashflow. Service businesses were interested in understanding about opportunities for export growth and larger businesses with a greater workforce were interested in effects on recruitment, retention and free movement of staff.

### **Future support for businesses beyond March 2021**

9. Delivery partners were asked to give their views on what further support businesses might need in relation to trading with the EU beyond March 2021. The key points can be summarised as:
  - Compliance and interpretation of the new rules by different nations and individual borders remains a challenge.
  - Many businesses are likely to need continued specialist and technical advice and support throughout 2021 and into 2022 as further changes come into place.
  - Issues about management of data, in particular the way in which GDPR applies is expected to remain an issue and applies across sectors.
  - Whilst all sectors may continue to feel significant impact, in evaluating the delivery the following sectors look likely to need the most support in the future; Electronics and Machinery, Architecture and Engineering, Consumer Goods, Food and Drink, Creative Industries, Logistics / Freight and Manufacturing and Engineering.

### **Key aspects of business learning since January 2021**

10. Delivery partners were also asked to give their views on what they thought has been learned during the period since January 2021, and where they had seen businesses adapting their behaviours. Feedback included:
  - EU Exit has forced some businesses to become fully fledged importers and exporters. After putting systems in place, receiving support and training they could have more of an appetite to look beyond Europe for new markets and this is expected to be a benefit that will become apparent over time.
  - In future businesses may develop more expertise and resilience with managing complex trading rules because of the steep learning curve they faced post 1 January. There are some indications that more businesses now feel as though they understand the new UK-EU trading rules.
  - Some businesses talked about how they experienced difficult times during the transition but are now finding their feet with things running more smoothly following the support they have received through the webinars and additional one-to-one support.