



Federation of Small Businesses

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Brexit on the table at FSB Business Forum with Sefton Central MP Bill Esterson

Business owners meet in Formby to discuss their Brexit priorities in light of New FSB research

The Sefton and Ormskirk branch of the Federation of Small Businesses welcomed Bill Esterson, Sefton Central MP and Shadow Business Minister, at a business forum to discuss the implications of Brexit.

The event took place on Thursday, 23 February 2017 at Formby Hall Golf Resort and Spa. Bill and members of the branch were joined by business owners from across the constituency and beyond to discuss the implications of Brexit and what they want to see from the imminent negotiations.

The forum was chaired by Southport-based Michael Sandys, partner at Guy Williams Layton in Liverpool and new Chairman of the Sefton and Ormskirk branch.

FSB Sefton and Ormskirk branch Chairman Michael Sandys said: *"FSB provides a platform for business owners and it is important that their ideas, opinions and concerns on Brexit are listened to and acted on when Article 50 is triggered and talks to leave the EU begin in earnest.*

"We were delighted to do this with Sefton Central MP Bill Esterson, who is in a prominent position to influence negotiations as Shadow Minister for Business, Energy and Industrial Strategy, and now International Trade.

"FSB wants a bold and ambitious free trade agreement so our members can continue to operate within European markets, and transitional arrangements that steer the UK well clear of a Brexit cliff edge. We are also calling for certainty over post-Brexit business support funding, more support to boost exporting and help firms trade with the world's fastest-growing markets and guarantees to maintain the vital skills of existing EU workers in the UK, as part of a commitment to ensuring small firms will in the future be able to easily recruit the right person, for the right job, at the right time.

Michael added: *"Regulatory reform is a major priority for UK small business owners but we must get it right and not miss opportunities provided by Brexit by maintaining the regulatory framework in the medium-term. After that, FSB will push Government and Parliament for the radical reform of the regulatory burden for small businesses."*

Sefton Central MP and Shadow Business Minister Bill Esterson said:

"Thank you to all the business people who attended the Brexit breakfast meeting and thanks to Phil McCabe and Michael Sandys from the Federation of Small Business for organising. We had a very lively debate about Brexit and about the challenges which smaller businesses face as we leave the European Union. No one was under any illusions about the scale of those challenges or the impact that uncertainty has on business and on the economy. However, we also spoke about the changes in the Liverpool City Region, not least with the election of the new mayor in a few months time. There are significant opportunities for business and for good, well paid jobs as a result of us taking greater control of decisions in the city region. I want to see Labour in government in the Liverpool City Region working closely with businesses to make the most of the investment in wind and tidal energy that is part of the deal which sets up the office of mayor. The mayor will also have the chance to transform the prospects of younger people by working with employers to dramatically improve the skills of especially younger people, through more quality apprenticeships. There are opportunities through the building of housing, especially affordable housing for rent and to buy for local businesses."

"It was clear from listening to the businesses who attended the event that we have to make the most of what is available now and after we leave the EU. It was also clear that there are many businesses across the city region who are up for the challenge and I look forward to working with them."

The Forum was the first of regular round table meetings FSB is to hold with MPs across the Merseyside, West Cheshire and Wigan region to give small businesses a real dialogue with their elected political representatives.

'What small firms want from Brexit' – FSB research

Discussions were shaped by the preliminary findings of FSB research: 'What small firms want from Brexit: A preview of FSB's Brexit research series,' which has included four surveys, sent to every FSB member in the UK, focus groups and one-to-one interviews with members. The priorities identified are:

1. Access to EU single market and non-EU markets;
2. Access to skills, labour and ease of 'doing business within the EU;'
3. EU funding and what happens next, particularly for business support;
4. Regulatory framework post exiting the EU in the short, medium and longer term.

In the next few months FSB will separately publish all four individual reports. These in-depth reports will include policy recommendations to ensure the small business voice is heard during the EU exit negotiations.

Key Findings

- 29 per cent (just under one third) of current small business exporters, regardless of destination, expect their level of exporting, overall, to decline as a result of Brexit. However, one in five small firms expect their level of exporting to increase and 42 per cent of small exporters expect no change.
- 53 per cent of small firms state that non-tariff barriers play a role, to some degree, on where they decide to export and around one-third (34%) state that non-tariff barriers play no role in where they decide to export. With the UK set to leave the EU single market, any new Free Trade Agreement must maintain the current ease of trade with the EU and not lead to additional administrative or financial burdens. For a truly global Britain, we also need the Government to enhance support for small exporters to reach new customers in new markets.
- 21 per cent of our members who currently employ staff employ EU citizens. Almost half of these (47 per cent) predominantly employ mid-skilled workers to address certain acute existing skills shortages. FSB members need simple, straightforward access to people and skills to grow in the future, so any new system must ensure demand can be met, while ensuring a supply-side focus on improving UK education and skills.
- 30 per cent of small business owners have benefited from free movement rights in the last twelve months to undertake short-term contracts in the EEA. Any restrictions could hamper their ability to accept these contracts.
- EU funding currently supports a range of activities which support growth and regional economic development. Our research shows that 22 per cent of small businesses are targeting growth of between 10-19 per cent. Although these firms may not meet the OECD's definition of high growth firms that are scaling up – they still have a distinct set of support needs to enhance their productivity and their ability to grow. Brexit provides an opportunity for a total review of business support and access to finance schemes.
- 53 per cent of FSB members believe 'reducing the regulatory burden' should be the top policy priority for Parliament. This statistic applies to all regulation and is not distinct to EU-derived regulation but the UK's exit from the

EU provides an opportunity to re-examine the UK's regulatory regime to reduce the cost of regulation and optimise conditions for productivity and competitiveness.

ENDS

About FSB

As experts in business, FSB offers members a wide range of vital business services, including advice, financial expertise, support and a powerful voice in Government. Its aim is to help smaller businesses achieve their ambitions. More information is available at www.fsb.org.uk You can follow us on twitter @fsb_policy and @FSBMerseyside.

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