Grant Thornton

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Facilitating Bristol to prepare for Brexit

Final

28 November 2018

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Tim Borrett
Acting Director of Policy and Strategy
Bristol City Council
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28 November 2018

Dear Tim

Facilitating Bristol to prepare for Brexit

We have pleasure in enclosing our report (the 'Report') documenting the discussions held during the workshop on Friday 6 November 2018 on behalf of Bristol City Council ('the Council'). The scope of this review was agreed in Grant Thornton's Letter of Engagement, signed on 1 November 2018. Notwithstanding the scope of this engagement, responsibility for management decisions will remain with the Council and not with Grant Thornton UK LLP.

Conflicts of interest and independence

Grant Thornton UK LLP are auditors of Bristol City Council. In order to maintain independence from the audit engagement the work has been conducted by a separate engagement team that have no involvement in the audit of the Council. The workshop and this subsequent report do not give any recommendations as that is outside the scope of this work. We have not played any part in the management or decision making process.

Limitation of Liability

We draw the Council's attention to the limitation of liability clauses in paragraph 10.1 in the Terms of Engagement between the Council and Grant Thornton UK LLP, signed on 18th June 2018.

Forms of report

For the Council's convenience, this report may have been made available to the Council in electronic as well as hard copy format, multiple copies and versions of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

Guy Clifton

Director – Public Services Advisory
Grant Thornton UK LLP

Contents

Background

Background

On Friday 9 November we facilitated a 3-hour practical workshop at our Bristol office with key stakeholders from Bristol City Council to identify and agree the risks and opportunities for Bristol in relation to Brexit, and develop a set of priority actions for local leaders. This document is the comprehensive write-up of the workshop based on discussions held on the day. It documents the threats, changed from risks as per language used by the Council, and opportunities identified along with the actions to be taken forward by the Council. Also included, at Appendix A, in this write-up is the initial assessment of Bristol's economic and social exposure to Brexit using our Place Analytics tool, based on parameters relevant to the Council based on our conversations and refined following feedback in the workshop.

The agenda for the Brexit workshop was:

- Welcome and introductions
- Understanding Brexit: What does it mean and impact on Bristol
- Measuring threats and opportunities: Focusing on a No Deal scenario
- Planning ahead
- Next steps and close

Workshop attendees were:

Name(s)	Organisation	Role
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The discussions during the workshop were based on a 'No Deal' Brexit as the existing Brexit planning undertaken by the Council has been focused on this scenario.

The threats and opportunities, as well as the action planning, were focused on the seven areas of interest identified by the Council. The write-up of the threats and opportunities has also focused on these seven areas. The seven areas of interest are:

- Workforce
- Supply chain
- City economy
- Legal and regulatory
- Finance and funding
- Core operations (specific focus on Adult Social Care)
- Civil contingencies

The nature of these seven areas means that many of the threats and opportunities overlap and impact upon more than one area. The overarching theme emerging from the discussions during the workshop are that workforce and supply chain are key to understanding the Council's exposure to Brexit. Failure in these areas could lead to a failure in service delivery which could have significant implications to the Council and the population as service users. On the hotspot we have allocated both threats and opportunities against a specific area, but there is an awareness of the overlap between the different areas.

The next steps are:

- Workshop participants will be submitting a high level threat/opportunity assessment for their work-stream. This will assess threat against the impact on citizens and business continuity. This will take the form of a completed issues log, along with a narrative description of the main threats and opportunities.
- These completed assessments will form the main body of a report that will initially be taken to the Council's Scrutiny Committee for Member input.
- Once Member input has been received the report will be updated and the final version is to be a public report.

Measuring threats and opportunities - hotspot

No Deal
Threats and opportunities

	Threats						Opportunities			
Workforce	Recruitment and retention of EU nationals	Reliance of delivery partners on EU nationals	Non-EU workers	Funding and training	Attracting skilled workers	Regulatory services	Be an employer of choice	Collaboration between public sector organisations	Engagement and training of indigenous population .	
Supply chain	Cost pressures	Resilience and continuity	Service delivery				Changes to import VAT			
City economy	Post-Brexit recession	Inward investment	Relocation of businesses	Brexit preparedness	Inclusivity	European Investment Bank loans	Inward investment	Avonmouth docks and Port of Bristol	Creation of job vacancies	Retail market
Legal, data & regulatory	Delivery of statutory services	Breach of contracts	Transfer of data	Contract terms and conditions	Legal changes		Devolved legal powers	Traded services	Terms and conditions of existing contracts .	
Finance and Funding	Council funding	Credit rating	Horizon 2020 funding	Balanced budget	Capital programme.	Replacing funding from EU sources	Strong financial position	Devolved fiscal power	Devolved funding decisions	
Core operations (focus on Adult Social Care)	Service failure	Core operations	Legal risk				Innovation in service delivery	Collaboration across sectors		
Civil Contingencies	Continuity plans	Supply	Medical supplies	Community cohesion	Infrastructure		Agility			

Threats

Threat	Description	Workstream
Recruitment and retention of EU nationals	Brexit poses a threat to the recruitment and retention of staff in the care sector. This is an existing issue in the sector that could be exacerbated by Brexit. The threat at the Council is deemed to be low but impact on wider supply chain will be more significant.	Workforce
Reliance of delivery partners on EU nationals	EEA staff in delivery partners (especially social care) are at risk in terms of post-Brexit retention and recruitment. This could have a significant impact of on the delivery of Council services	Workforce
Cost Pressures	Brexit could result in significant cost pressures to the Council. In areas such as: construction/social care/education/facilities management/repairs & maintenance there could be a loss of component parts from the supply chain. Loss of product availability due to supply chain changes means that wholesale system changes needed which will come at a financial cost.	Supply Chain
Resilience and continuity	Brexit has already led to delays in supply chain as demand is being front loaded by suppliers causing a lag in delivery timescales. Brexit poses the risk that this could worsen which could come at financial and operational costs to the Council. This threat is particularly significant in health and social care sector.	Supply Chain
Service delivery	Complete failure of the Council supply chain could impact upon the Councils ability to sustain the delivery of both non-statutory and statutory services.	Supply Chain
Post-Brexit recession	A post-Brexit economic downturn could impact on the city economy of Bristol. A slowdown in development and an increase in empty retail units (a sector that is already struggling) could change the city economy of Bristol.	City Economy
Inward investment	There is a very real threat that Brexit could see a decline in inward investment. This could pose a threat to the economic growth of Bristol as a place	City Economy
Relocation of businesses	Brexit poses the threat that large companies could cease production in the UK. In Bristol this would impact on the city economy in terms of lost jobs and a flow down impact on the supply chain. There could be a broader impact when smaller companies supply larger companies as they could be under threat from these changes.	City Economy
Brexit preparedness	A lack of Brexit preparedness of key businesses in the city economy would impact upon Bristol in terms of both the city economy and people	City Economy

Threats (cont’d)

Threat	Description	Workstream
Delivery of statutory services	Threat of the Council not being able to deliver statutory duties in a post-Brexit environment. Local authorities do not have the flexibility that private sector companies have to cease services. In areas such as social care, children’s services and housing stock maintenance this legal risk is particularly acute.	Legal, Data and Regulatory
Breach of contracts	Risk that suppliers to the Council are in breach of contracts. This could have both a financial and service delivery impact on the Council. As provider of last resort will need to have alternative arrangements for delivery of services, especially statutory services such as social care	Legal, Data and Regulatory
Council funding	The threat that Brexit poses to economic growth could directly impact upon the finances of the Council. An increased reliance on business rates to fund service delivery could be impacted by an increase in empty units and slowdown in development associated with an economic downturn. There is also a threat to planning and parking fees reducing. All of these could see a reduction in income to the Council, placing further pressure on already stretched resources.	Finance and Funding
Credit rating	Brexit poses a threat to the Council having its AAA credit rating downgraded. This would potential dive up the pension deficit of the Council, which is already significant.	Finance and Funding
Horizon 2020 funding	Currently Bristol has significant cross-border collaboration on funding projects. The Council is already seeing Bristol missing out on opportunities due Brexit uncertainty having behavioural impact on partners, leading to them not choosing to partner with Bristol. Post-Brexit this threat would be increased. Bristol is not only losing sources of finance but also losing the exchange of knowledge associated with collaboration projects.	Finance and Funding
Balanced budget	Financial pressures on the Council pose a threat to the Section 151 officer duties of being required to set a balanced budget. (also impacts on legal and regulatory)	Finance and Funding
Capital programme	Concern over whether or not this can be delivered in its current guise under post-Brexit financial pressures (links to both workforce and supply chain, as well as EU funding). This could result in delays or changes to the capital programme, slowing down development in Bristol	Finance and Funding
Service failure	As a result in pressures on workforce and supply chain there is the very real threat that the Councils services could fail. The Council could fail to deliver its statutory duty, impacting service users.	Core operations

Threats (cont'd)

Threat	Description	Workstream
Continuity plans	The Council does not currently have robust continuity plans in place to deal with Brexit associated risks.	Civil Contingencies
Supply	Threats to supply in food and fuel based on public perception leading to panic buying or port blocking. This would threaten the Councils ability to deliver services or for and also impact upon the city economy.	Civil Contingencies
Medical supplies	In areas such as social care there is the threat that medical supplies are affected by Brexit. This could pose significant risks to service users.	Civil Contingencies
Non-EU workers	The post-Brexit environment poses a threat to the recruitment of non-EU workers. They will be subject to new immigration criteria. There are a high proportion of non-EU workers in low-skilled employment at the Council.	Workforce
Funding and training	Loss of funding for engaging and training with indigenous population due to this coming from EU sources	Workforce
Attracting skilled workers	Brexit poses a threat that Bristol becomes a less attractive place for skilled people to come and work.	Workforce
Inclusivity	A recession could drive less progressive policies in terms of recruitment (i.e. diversity and inclusion). An economic downturn makes it harder to achieve inclusive economy	City Economy
European Investment Bank loans	Both the Council and the city are exposed to EIB Loans. The future of these is uncertain which could pose a threat to a number of city economy projects in Bristol	City Economy
Data	Brexit could raise issues over the transfer of data from UK to EU. Threat that the Council does not have an understanding of the potential impact of this	Legal, Data and Regulatory
Contract terms and conditions	There is a threat to the Council that suppliers use Brexit as an excuse to force prices up and the Council must be aware to this	Legal, Data and Regulatory

Threats (cont'd)

Threat	Description	Workstream
Replacing funding from EU sources	There is a lack of clarity on how existing EU funding that comes through the UK government is to be replicated or replaced.	Finance and Funding
Core operations	In order for the Council to continue delivery of statutory services there is a threat to other services. The Council could neglect these discretionary services.	Core operations
Community cohesion	Brexit has already been blamed for an increased in hate crime. It is a divisive issue that could erode community cohesion	Civil Contingencies
Infrastructure	The risk that Brexit poses to the capital programme of the Council and wider inward investment could make Bristol a less attractive place to live and work.	Civil Contingencies
Regulatory services	Where there are opportunities for growth post-Brexit (i.e. trading of regulatory services and Avonmouth docks) the Council needs to develop appropriate staffing and skills levels	Workforce
Legal changes	The Council needs to be aware of resources needed to process and respond to post-Brexit legal changes and updates	Legal, Data and Regulatory
Legal risk	Brexit offer the opportunity for the Council to take innovative approaches to delivery of services. However, when this innovation relates to statutory services there is an increased legal risk.	Core operations

Opportunities

Opportunity	Description	Workstream
Be an employer of choice	Opportunity to become an employer of choice through initiatives such as funding settled status and improving both pay and non-pay benefits.	Workforce
Collaboration between public sector organisations	Collaboration between public sector bodies to manage demand, promote recruitment and improve training in care through innovation (such as development of new skills and utilisation of developing technology).	Workforce
Engagement and training of indigenous population	Development of indigenous population through engagement and training. Consideration needs to be given over where funding for this could come from as much of it currently comes from EU sources	Workforce
Changes to import VAT	Opportunities for supply chain as there are proposals that a government import delay on VAT could come into place. This could have a huge financial impact on cash flows of suppliers as VAT won't have to be paid up front, potentially driving down prices.	Supply chain
Inward investment	Although there is a threat to inward investment, there is also an opportunity for Bristol to focus on what it can offer for new inward investment, creating economic growth.	City economy
Avonmouth docks and Port of Bristol	Currently only 30% of existing imports are from the EU. Therefore, the port has the infrastructure in place and the space to process imports in a 'no deal' trading environment. Presents the opportunity to grow the port traffic. Opportunity to market Avonmouth port in response to concerns over Dover.	City economy
Creation of job vacancies	When EEA nationals are not returning to the UK this creates job opportunities for the indigenous population. However, there is the risk that people could not want to fill these roles.	City economy
Retail market	Retail is already a struggling sector but Brexit does offer an additional incentive to re-engineer retail market and increase resilience of the city economy.	City economy
Devolved legal powers	Devolution of legal powers to a local level is possible post-Brexit. This offers Bristol the opportunity to develop innovative policies in relation to areas such as education and immigration.	Legal, data & regulatory

Opportunities (cont'd)

Opportunity	Description	Workstream
Traded services	Opportunity for Bristol to leverage skill sets of the Council to trade externally with other areas that don't have the skills required to deliver these services outside of the Bristol City Council boundary (for example Bristol Airport). There is also an opportunity to trade services more widely as part of West of England Combined Authority.	Legal, data & regulatory
Terms and conditions of existing contracts	Brexit presents an opportunity for the Council to make changes to contract terms and conditions. However, the Council must be aware of pressures suppliers are facing. Forcing costs too low could threaten service delivery which would have a wide impact on both the people and economy of Bristol.	Legal, data & regulatory
Strong financial position	Bristol City Council remains in a relatively strong financial position when compared with other local authorities. Therefore, this provides the Council with resilience and flexibility to respond to both threats and opportunities post-Brexit.	Finance and funding
Devolved fiscal powers	Devolved power post-Brexit gives opportunity for innovation. For example, local taxation could be introduced to increase funding sources for the Council (i.e. tourist tax).	Finance and funding
Devolved funding decisions	The introduction of new funding streams to replace current EU funding offers an opportunity for devolution. New funding streams could be aligned more closely with the needs of city and regional areas. Tailored funding creates opportunities that local areas can have greater influence on how these funds are spent.	Finance and funding
Innovation in service delivery	Brexit could be a catalyst for the Council to take new approaches to delivering statutory duties in response to pressures.	Core operations
Collaboration across sectors	Preparing for Brexit present an opportunity for collaboration between local authorities and other local partners (i.e. shared services/Brexit working party/place based leadership). Thought does need to be given whether the expertise and capacity for this exists in the Council.	Core operations
Agility in responding	The Council has the opportunity to input into national planning in relation to civil contingencies.	Civil contingencies

Planning ahead

Action planning
Initial next steps

There was agreement throughout the room to focus on four key themes:

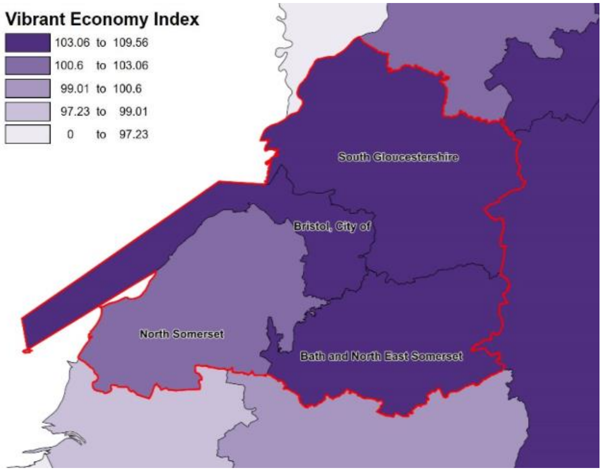
- **Collaborating** – Working together across both the Council and the wider public, private and third sectors to plan for Brexit and increase resilience.
- **Understanding** - Develop the understanding of the exposure of Bristol to Brexit in terms of seven areas in a quantitative manner to support the qualitative understanding.
- **Communicating** - Provide reassurance through communication. Communicate with staff (both EU and non-EU), businesses and citizens in relation to preparing for Brexit.
- **Prioritising** - Identify those threats that are likely to have the greatest impact on Bristol and to the Council and mitigate these where possible.

Action	Description
Establish Bristol City Council Brexit Working Group	Establish a Brexit working group for Bristol City Council to co-ordinate the planning for Brexit across the Council, as well as the wider public, private and third sectors. The basis of this working group is now in existence with the workshop attendees but the group needs to identify who is missing from the discussions. Group to lead on ensuring that stakeholders are informed and engaged so that there is a cumulative, joined-up impact in planning for Brexit. This group needs to have appropriate governance from political stakeholders and should: **Meet – Discuss – Test – Plan – Create mechanisms for dealing with threats and opportunities.**
Communicate to EU workforce	There is a wide range of information available from government (https://www.gov.uk/settled-status-eu-citizens-families) on the future of EU citizens currently in the UK. Communicating this with EU workers is key so that they are clear on their rights. NB - Also important to communicate with non-EU employees as they may be married to EU citizens and would not be identified in mapping of relevant employees.
Map supply chain	Develop a better understanding of the key suppliers to the Council by analysing the c.10,000 suppliers and identifying the most significant suppliers by value as well as those providing key services. Once this has been mapped the conversation can be had, working with other public sector organisations to avoid duplication, with these suppliers to understand their Brexit preparedness. Where possible, work with suppliers to increase resilience to impacts of Brexit.
Understand legal position with regard to statutory responsibilities	Appropriately mitigating the threats identified in relation to the ability of the Council to continue delivering its statutory services are key. This is because any failure to deliver statutory duty could pose a significant legal and reputational risk.
Review contracts	Working with suppliers it is key that the Council understands the impact Brexit could have on existing contracts. A review of contracts in terms of pricing, as well as front loading renewals could increase resilience for both the Council and their suppliers.
Model potential impact on Business rates	In order to best understand the exposure the funding from business rates to Brexit a modelling exercise needs to be completed. This could increase the resilience of the Council to changes in funding base due to Brexit.
Increase skill resilience	Improve recruitment and retention through incentives such as: retention bonuses and non-cash benefits. Improve training by simplifying it (i.e. week long training course rather than disjointed approach). Potential to create an in-house agency for care staff rather than relying on external providers to increase resilience. Potential to engage with education providers to create pipeline for care staff.
Explore opportunities to diversify care prescriptions	Open up a wider number of suppliers to limit risk of individual supplier failure.
Review contingency plans	Use Brexit as a driver to develop more robust contingency plans across the Council.

Appendix A –
Understanding Brexit: A Bristol focus

Bristol. Vibrancy

Vibrant Economy Index – Overall score



Local Authority	Vibrant Economy Index	Prosperity Index	Dynamism and opportunity Index	Inclusion and Equality Index	Health, Wellbeing and Happiness Index	Resilience and sustainability Index	Community, Trust and Belonging Index
Bristol, City of	A	A	A	E	D	A	A
Leeds	B	A	A	E	C	A	C
Sheffield	C	B	A	E	D	B	B
Newcastle upon Tyne	C	B	B	E	E	A	B
Liverpool	C	B	A	E	E	B	B
Manchester	D	A	A	E	E	B	D
Birmingham	D	A	B	E	E	D	C
Nottingham	D	B	C	E	E	C	C

Key questions to consider:

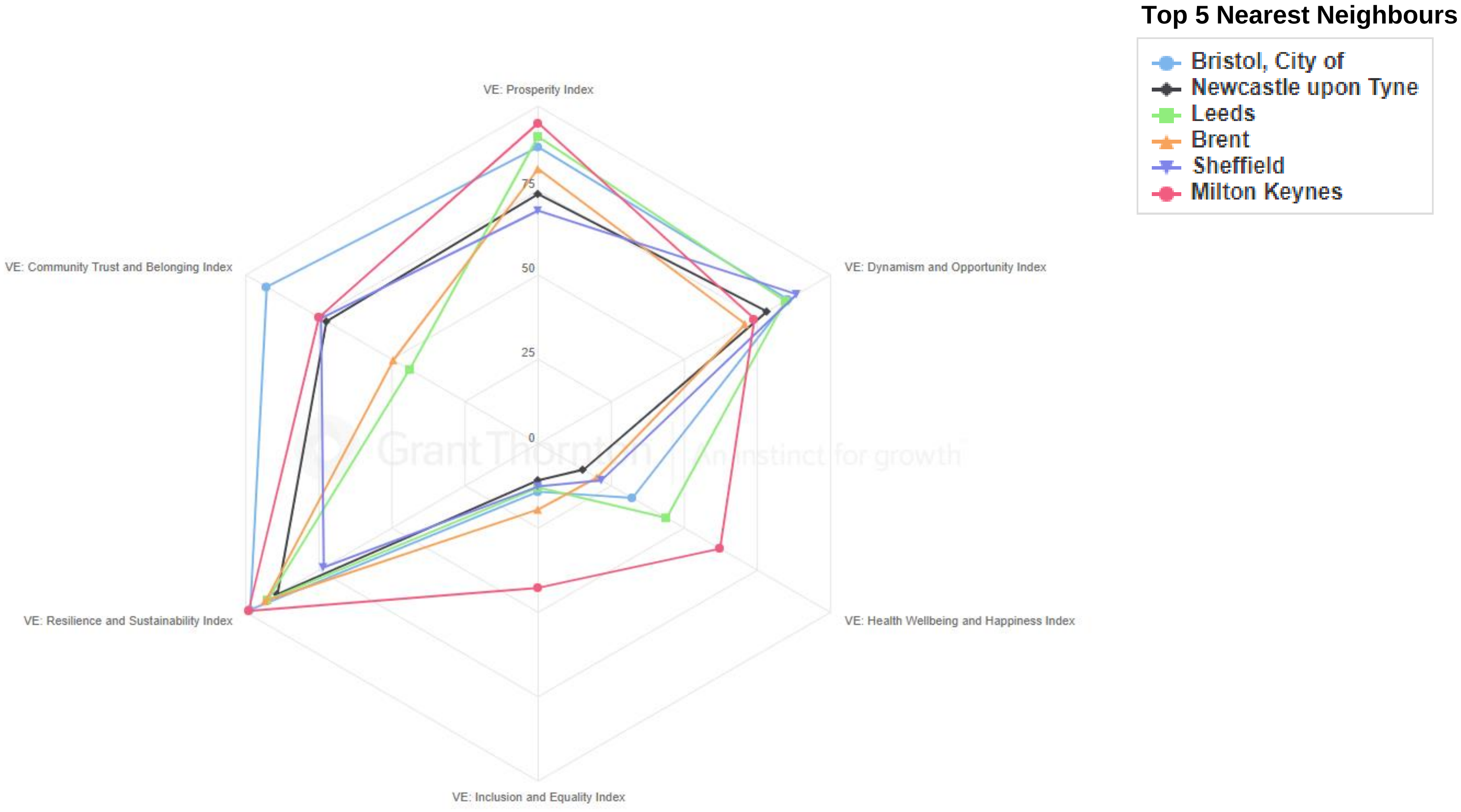
- Which strengths are most important for your area? How can these strengths be preserved post-Brexit?
- Could some of these challenges be compounded by the impacts of Brexit?
- How could you prioritise interventions spatially?
- How can greater collaboration be encouraged across boundaries with neighbouring areas?

Key insights

- Overall Bristol performs very well by national standards, ranking in the top 20% of 324 local authorities.
- Bristol has the best performance of all English Core Cities.
- It has top 20% performance on four of the six baskets- Prosperity, Dynamism & Opportunity, Resilience & Sustainability and Community, Trust & Belonging.
- Within the Prosperity basket Bristol performed particularly well on total GVA, ranking 9th highest nationally.
- Within the Dynamism & Opportunity basket it has top 20% performance on the proportion of people qualified to Level 4 and above and employment in higher education.
- Bristol has very weak performance on the Inclusion and Equality basket. This revealed high levels of deprivation, as measured by the Index of Multiple Deprivation, and a large gap between the most and least deprived local area within Bristol.

Bristol. Vibrancy

Vibrant Economy Profile* – Statistical Nearest Neighbours

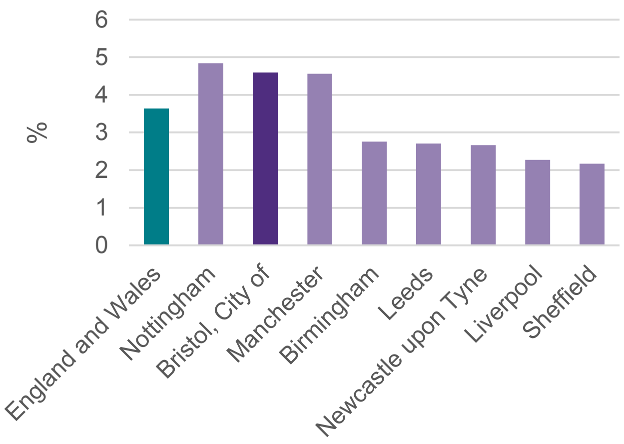


*The larger the shape, the greater the vibrancy

Bristol. People

EU residents

Proportion of population that were born in the EU



Employment rate

UK born residents
South West: 74.3%
National: 71.8%

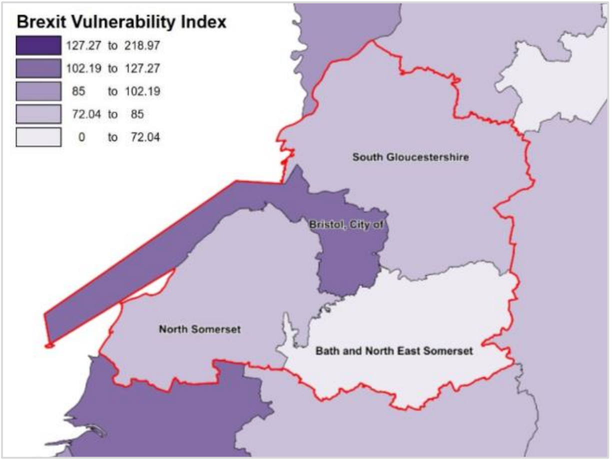
Bristol 70.8%

EU born residents
South West: 79.5%
National: 77.0%

Bristol 77.3%

Community Vulnerability Index

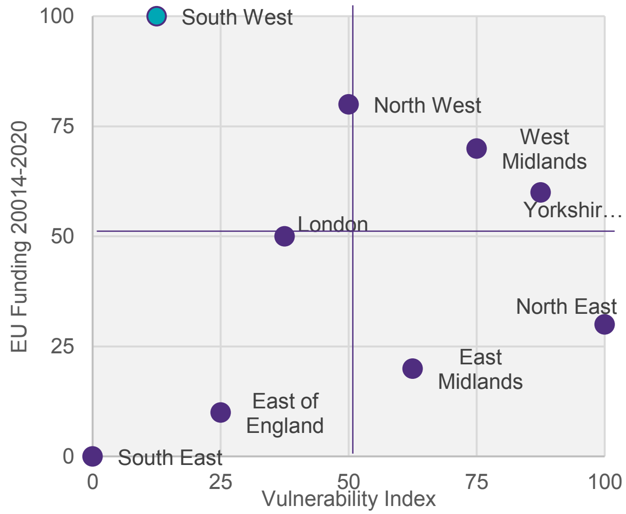
Vulnerability Index score (Eng = 100)



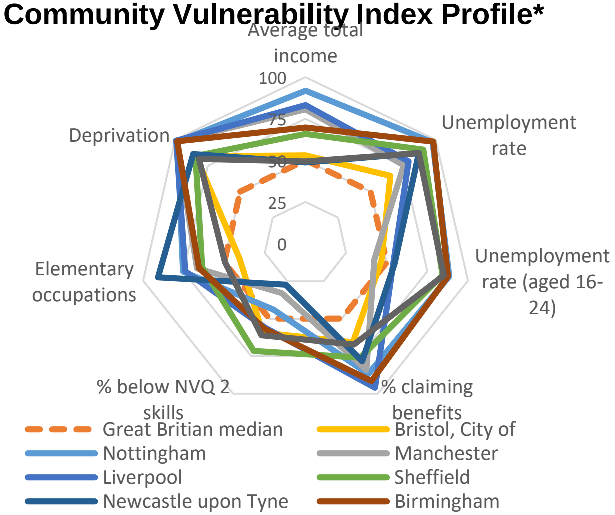
Key questions to consider:

- Given the high number and proportion of residents from the EU, what could restrictions on free movement of people mean for Bristol?
- How will existing EU residents be retained?
- How could you prioritise interventions to mitigate the most vulnerable places?
- The SW is a major beneficiary of EU funding, with Cornwall most notably benefiting. What will removal of these funds mean for Bristol? *(Horizon 2020 grants)*

Community Vulnerability vs. Funding (Regional)



Community Vulnerability Index Profile*



*The larger the shape, the greater the vulnerability

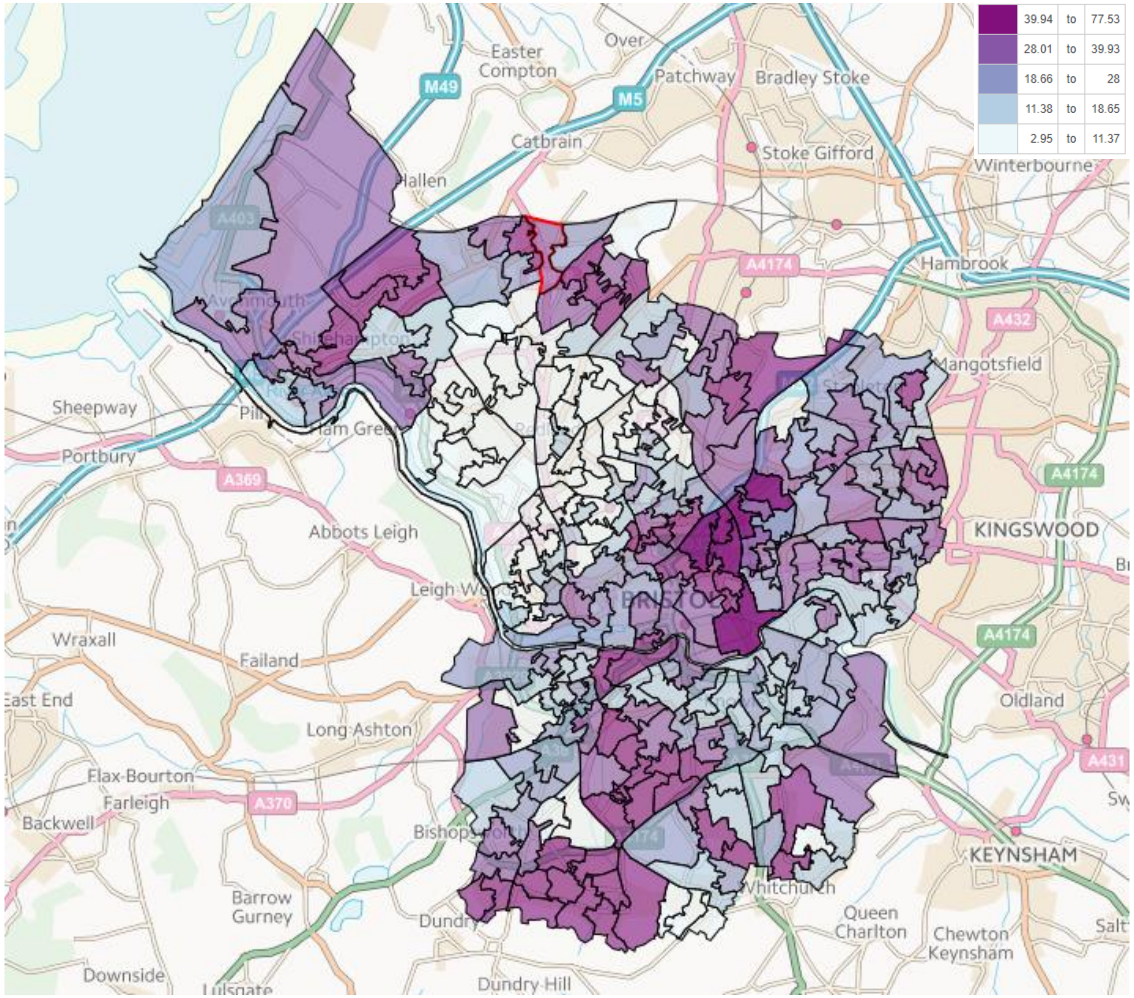
Bristol. Focus – Deprivation

Deprivation across Bristol

- One of the least deprived of Core Cities (just behind Leeds)
- High inequality with **‘hotspots’** of deprivation (gap of 32,085 ranks)
- 16% of resident (69,000) live in the bottom 10% most deprived parts of England

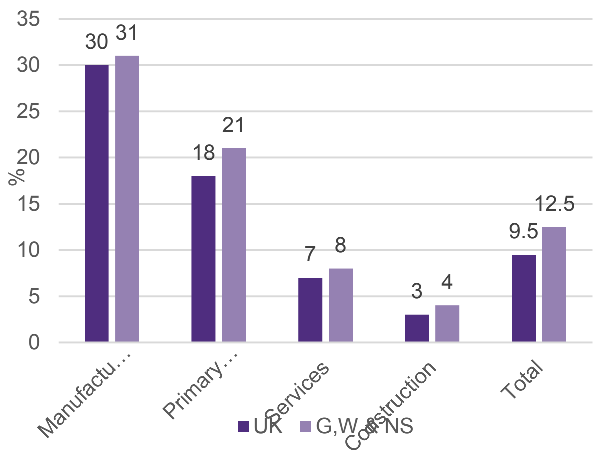
Bristol rank	LSOA Name	Ward	IMD Rank where 1 is most deprived
1	Bishport Avenue	Whitchurch Park	65
2	Hareclive Road	Whitchurch Park	67
3	Fulford Road North	Hartcliffe	200
4	Bishport Avenue East	Whitchurch Park	232
5	Inns Court	Filwood	245
6	Easton Road	Lawrence Hill	251
7	Broadway	Filwood	340
8	Ilminster Avenue West	Filwood	367
9	Southmead Central	Southmead	368
10	Whitchurch Lane	Hartcliffe	518

Overall Index of Multiple Deprivation- LSOA level

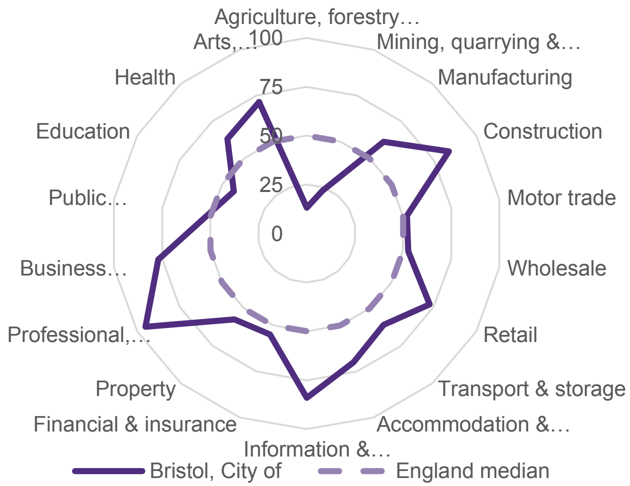


Bristol. Businesses

UK GDP dependent on EU



Business sectors



Productivity

GVA per hour worked

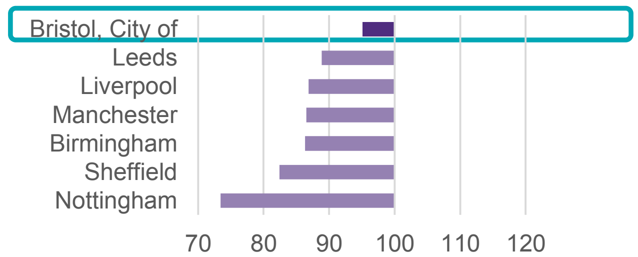
Bristol: £31.0

South West: £29.3

United Kingdom: £32.6

GVA per hour indices

(100= national average)



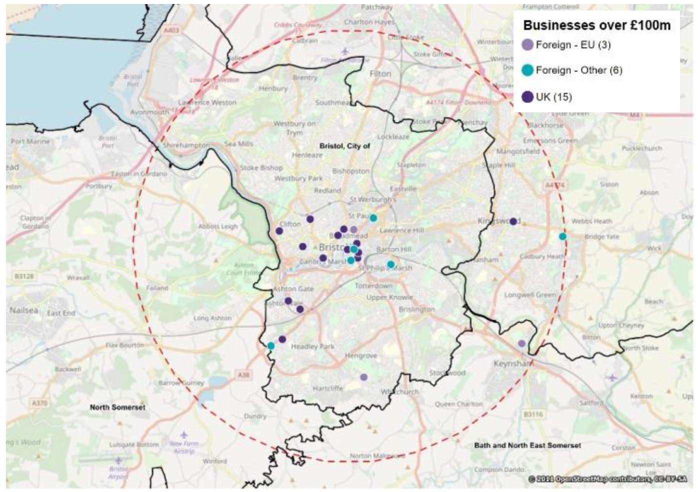
Key questions to consider:

- How could exposed sectors (Manufacturing/Construction) be impacted in Bristol?
- What could be the challenges for the 34 EU head-quartered corporates?
- What are the risk around the 2,639 foreign owned businesses in the area?
- What will the impact be for the 24 businesses that have over £100 million turnover? In particular, how will the 9 foreign owned businesses be impacted?
- How can Bristol increase productivity levels?

Business facts

Companies with either their registered or primary trading address in Bristol & S.G	40,343
Companies owned by foreign corporates or foreign nationals (individuals)	2,639
Companies owned by foreign nationals (individuals) residing either in the UK or overseas	c.2,087
Companies that are UK subsidiaries of a foreign HQ corporate group (i.e. corporates)	c.254
Number of these corporates filing a revenue figure in the UK	105
Number of EU HQd corporates filing a revenue figure in the UK	34
Aggregate UK revenues of EU HQ'd corporates	£1.74bn
Aggregate UK revenues of all non-UK HQ'd corporates	£6.37bn

Businesses with over 100 mill turnover



Bristol. Workforce

Skills

"Those with fewer formal qualifications, are more likely to be employed in the most exposed industries"
Institute of Fiscal Studies, 2018

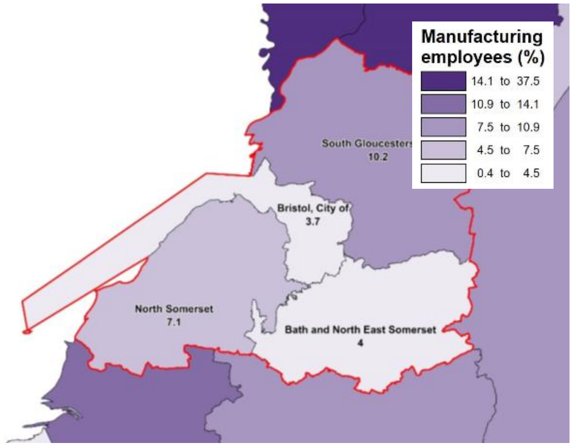
No qualifications
Bristol: 5.1%
South West: 5.0%
England: 7.6%

NVQ 1
Bristol: 8.2%
South West: 11.2%
England: 10.9%

Low skills vs resident earnings

Employment in manufacturing (%)

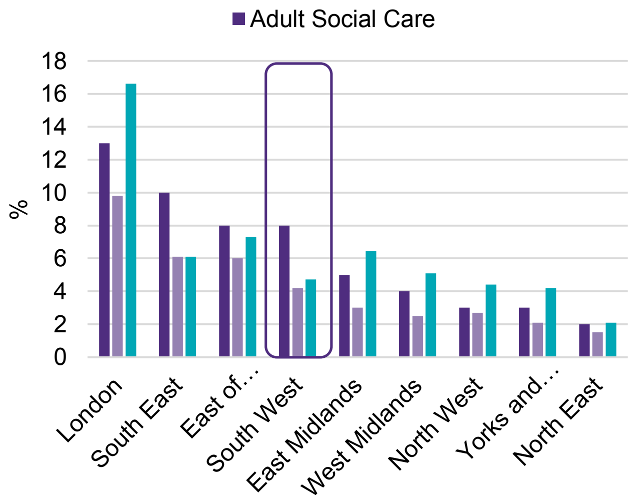
30% of UK manufacturing GDP is reliant on the EU



Key questions to consider:

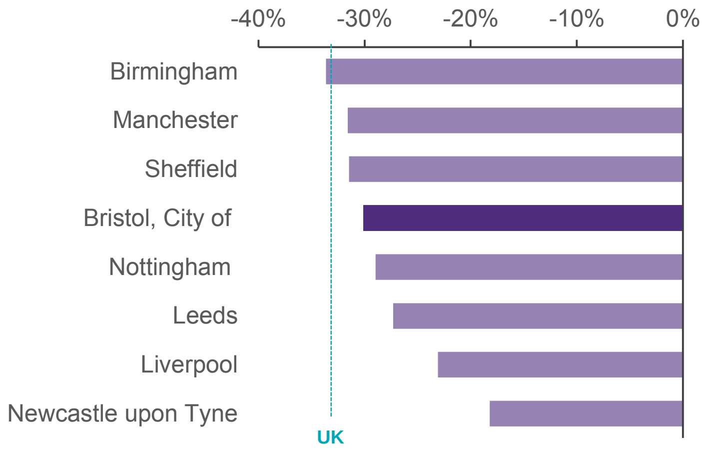
- What will a reduced reliance on EU workers mean for your key sectors?
- How can a steady skills supply be maintained post-Brexit?
- What action can be taken locally to support those residents with the lowest level skills and most at risk as a result of Brexit?
- What steps could be taken to support workers in the most vulnerable sectors e.g. manufacturing?

Proportion of workforce from EEA



National Insurance Number (NINo) registrations

29% of reduction in EU registrations between 2016 and 2018 across the UK



Bristol. Sector focus – Adult Social Care

UK overview

Total workforce
1.47 million

Total economic contribution
£38.5 billion

Vacancy rate
8%

UK ASC workforce demographics

8%

Nationality
EU: 8%
British: 83%
Non-EU: 10%

+3%

Nationality trends (2012/13- 2017/18)
EU: +3%
British: +1%
Non-EU: -3%

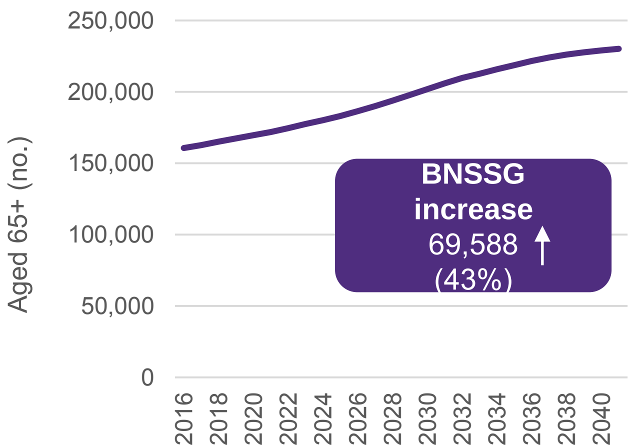
EU adult social care workforce by region (%)

Key questions to consider:

- How can safeguard supply of health and social care workers needed to continue delivering safe, high quality care?
- How can BNSSG prepare for aging population and the impact this may have on services?

Population projections (2016 – 2041)

52% increase in 65 and over population for England



Bristol, North Somerset & S Gloucestershire STP area (BNSSG) - Social Care

- **23,000 jobs** (10,100 in Bristol)
- **10.9% care worker vacancy rate**
- **37.5% turnover** of care workers
- **19% of care workers non UK born-** with **9% born in EEA (non UK)** **-** high dependence
- **Care homes with nursing – 18% from EEA (594).**

Bristol. Sector focus – Aerospace

UK overview

Total workforce
95,000

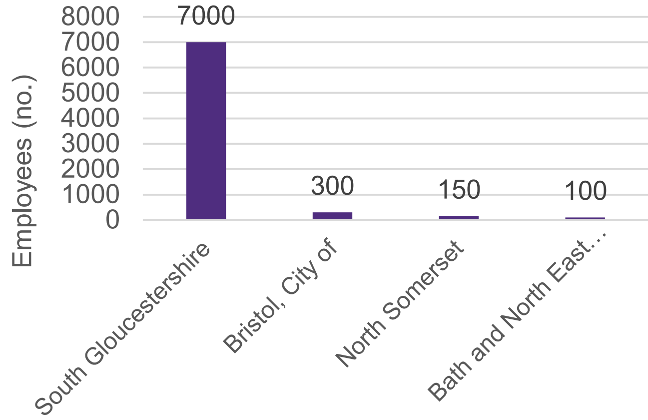
Total turnover
£32 billion

Growth rate
23%

Aerospace employment by region (2017)

Region	Employment (no.)	% of regional employment	% of national aerospace employment
East Midlands	19,000	0.9	22.9
South West	**17,000**	**0.7**	**20.5**
North West	15,000	0.5	18.1
Wales	9,000	0.7	10.8
East	7,000	0.3	8.4
South East	7,000	0.2	8.4
West Midlands	4,000	0.2	4.8
Scotland	2,500	0.1	3.0
North East	1,250	0.1	1.5
Yorkshire and The Humber	1,000	0.0	1.2
London	300	0.0	0.4

Aerospace employment by local authority



Airbus

- Leading manufacture of aircraft, helicopters and defence and space equipment
- Headquarter in Toulouse
- Directly employees 14,000 people across UK
- Employs **3,000** people in its production site in **Filton near Bristol**
- No deal Brexit risk assessment*- production likely to be **'severely disrupted'**
- Unrecoverable delay- 'up to **€1 billion weekly loss of turnover'**

*Airbus Brexit- Risk Assessment (June 2018)

Rolls Royce

- 30 sites across UK and employees over 22,000 people
- Significant investment over the past few years
- Filton plant is also a world leader in short take-off/vertical landing (STOVL) engine technology
- Employs **3,000** people at this plant
- Primary supplier of aircraft engines to Airbus
- Plans to **cut 4,600 jobs** across its plants over the next two years.

Sources

Theme	Visual	Source
People	EU residents	Census (2011)
	Employment rate	Census (2011)
	Community Vulnerability Index	Grant Thornton (2017)
Focus - Deprivation	Deprivation map	English Indices of Deprivation, DCLG (2015)
Businesses	UK GDP dependent on EU	Bart Los et al. (March, 2017)
	Busness sectors	UK Business Counts, Inter Departmental Business Register (2018)
	Productivity	Nominal (smoothed) GVA (B) per hour worked indices; NUTS 2 and NUTS 3, ONS (2016)
	Business Facts and map	FAME, Bureau Van Djik (2018)
Workforce	Skills- No quals and NVQ 1	Annual Population Survey (Dec, 2017)
	Low skills vs resident earnings	Annual Population Survey (Dec, 2017); Annual Survey of Hours and Earnings (2017)
	Employment in Manufatucrig	Business Register and Employment Survey (2017)
	National Insurance Number (NINo) registrations	NINo registrations to adult overseas nationals entering the UK by Region / Local Authority and world region - registrations year to June 2018, DWP (June 2018)
Sector focus - Adult Social Care	UK overview	The state of the adult social care sector and workforce in England (Sept, 2018)
	UK ASC workforce demographics	The state of the adult social care sector and workforce in England (Sept, 2018)
	EU adult social care workforce by region	The state of the adult social care sector and workforce in England (Sept, 2018)
	Population projections	Mid-year population projections, ONS (2016)
	BNSSG Social care stats	BNSSG Sustainability and Transformation Plan (October, 2017)
Sector focus - Aerospace	UK overview	Business Population Estimates, BEIS (2017); The areospace industry: statistics and policy, House of Commons Library (Nov 2017)
	Aerospace employment by region	Business Register and Employment Survey (2017)
	Aerospce employment by local authority	Business Register and Employment Survey (2017)
	Airbus - stats	https://www.airbus.com/company/worldwide-presence/uk.html#Economy; Brexit Risk Assessment Memorandum (June 2018); The impact of Airbus on the Uk economy, Oxford Economics (June 2017)
	Rolls Royce - stats	Rolls Royce, 2018

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