

West Midlands Growth Hubs Cluster

EU Transition

Final Issue - 13th April 2021



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Summary

The West Midlands Growth Hubs led on this EU Transition diagnostic. The areas covered were The Black Country, Greater Birmingham & Solihull, Coventry & Warwickshire, The Marches, Stoke-on-Trent & Staffordshire, and Worcestershire.

Businesses were asked to report on their current business situation on the following matters: transport of goods and services, how EU exit has impacted on their businesses, as well as customs and VAT changes that may affect their company financially.

Out of all the respondents, around **9% had received support and advice from local Growth Hubs in the past based on the last three months data**. Of those businesses who received advice and support from Growth Hubs, 32% were from Coventry & Warwickshire Growth Hub followed by 17% from Stoke-on-Trent & Staffordshire Growth Hub. **The graph below indicates the overall number of respondents throughout the EU Transition Project within the West Midlands region.**

Growth Hub Area	% of Total
Coventry & Warwickshire	19%
Greater Birmingham & Solihull	24%
Stoke-on-Trent & Staffordshire	18%
The Black Country	15%
The Marches	9%
Worcestershire	14%

Business Profile

The size profile of businesses who took part in the survey was as follows:

- 9% sole employee
- 54% micro (2-9 employees)
- 30% small (10-49 employees)
- 6% medium (50-249 employees)
- 1% large (250+ employees)

This is representative of the SME base across the West Midlands Growth Hubs.

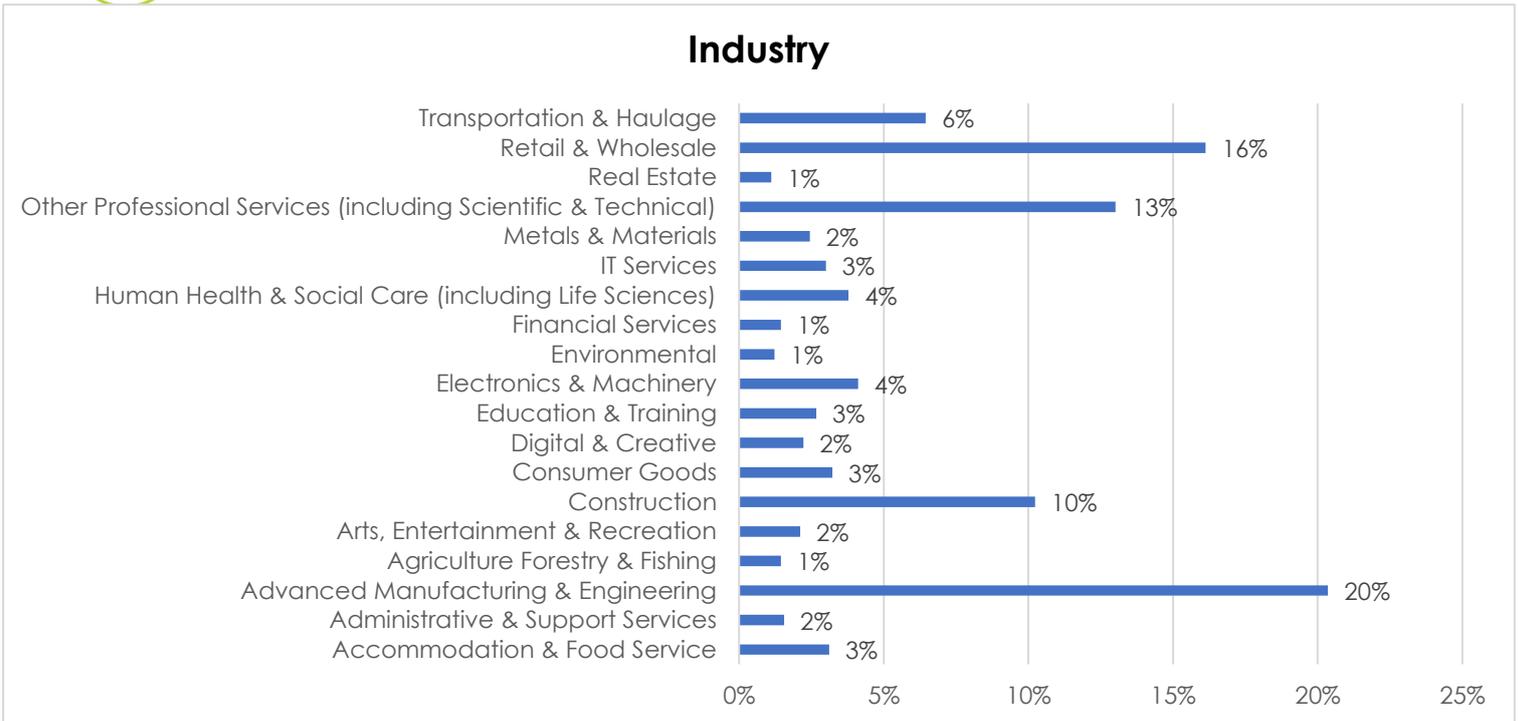
Legal Status	% of Total
Limited Company or LLP	92%
Charity, CIC or Social Enterprise	1%
Sole Trader	7%

Turnover

The representation of the West Midland's core SME market is reflected in the turnover values provided. The data revealed that **Advanced Manufacturing & Engineering industry and Retail & Wholesale industry had the highest percentage of businesses with turnovers over £250K (at 23% and 16%) and turnovers under £250K (at 16% in each sector).**

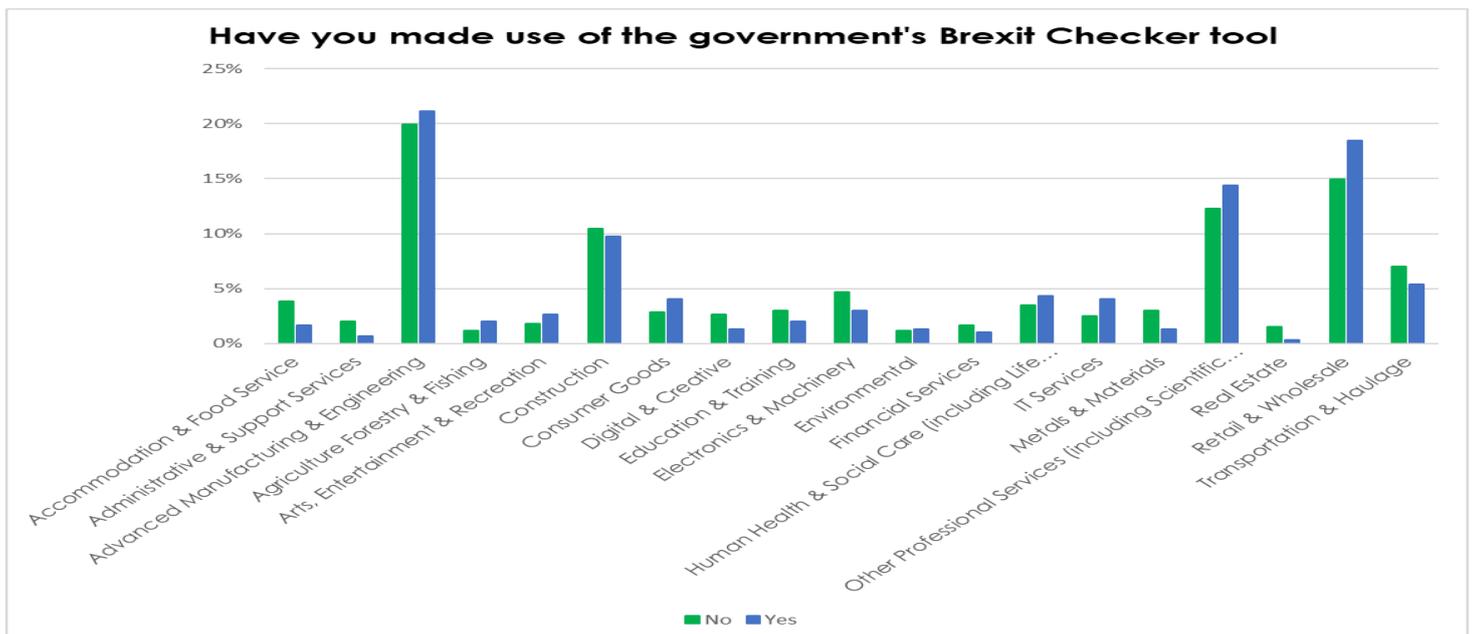
Industries

Since the start of the pandemic in March 2020, CWLEP Growth Hub has supported many businesses and had discussions with businesses specifically related to Covid-19 impact and EU Exit. **The chart represents the industry sectors that responded to the EU Transition Diagnostic from the beginning of the project up to 31st of March 2021.**



Key Trends

Government's Brexit Checker tools



The chart revealed that around 69% of respondents have not used the Brexit Checker tool, based on the last three months' data. The Brexit Checker tool is used for determining what actions a company is required to take (depending on which sector they are in), so that their businesses will not face any further interruption (due to EU Transition) to trade.

Out of the respondents in the **Advanced Manufacturing & Engineering** sector, over two-thirds responded that they had not used the Brexit Checker tool, followed by over four-sixths of businesses in the **Construction** sector.

On the other hand, **38% of businesses in the Retail & Wholesale industry reported that they had used the Brexit Checker tool, followed by 37% of Other Professional Service industry.**

New rules on 1st January 2021

56% of businesses responded that they understood how the new rules may affect their business such as changes in trading regulations with EU and non-EU countries. Based on previous biweekly report figures, on average, most businesses understood the new rules which is a positive sign.

43% of respondents in the Advanced Manufacturing & Engineering industry stated that they did not understand the new rules, followed by 48% in Retail & Wholesale industry.

Over two-thirds of businesses with annual turnovers over £250K revealed that they understood the new rules, whereas over two-fifths of businesses with turnovers under £250K reported that they understood the new rules. These figures were based on the last three months' data.

Importing or Exporting Goods and Strategies - International Countries

34% of respondents, in all industries, reported that they import or export to countries within the EU compared to 27% of respondents who trade goods with non-EU countries. This diagnostic also demonstrated **that trading goods with EU countries as opposed to Non-EU countries has reduced by up to 7%.**

Only 19% of businesses have reviewed international trade and customs processes since the new rules have been in force. This figure indicates that many businesses may still require extensive support from the government, as well as from Growth Hubs.

Advice & Support - Growth Hubs

The top two advice or support services that businesses required for their needs were Growth Hub Business Support and EU Transition Support.

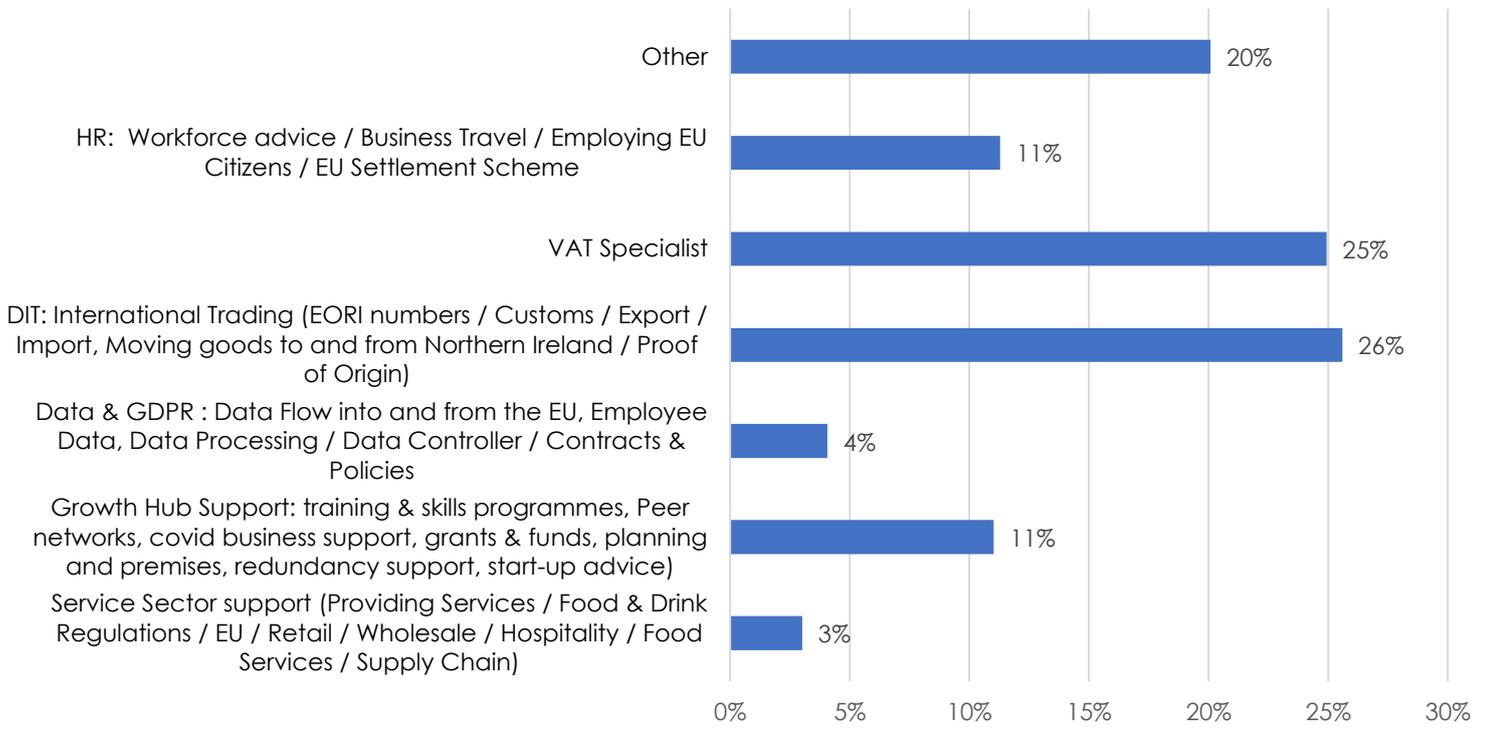
16% of respondents reported that they required Growth Hub Business Support such as COVID-19 business support or grants. For **EU Transition Support**, it stated that **a fifth of respondents require this support.** Out of this support, the Retail & Wholesale sector had the highest percentages of respondents (at 17%) followed by the Service Sector (at 16%).

Referrals

The referrals are used to provide extensive and specialised support for businesses based on their requirements. The data (based on the last two months) revealed that out of all the respondents, 26% of respondents represents the Coventry and Warwickshire area, followed by 23% of Stoke-on-Trent & Staffordshire area. **21% of referrals made were marked as 'urgent referrals', in which the businesses required immediate support.**

The chart below highlights that the majority of businesses required support related to DIT enquiries, specifically related to the transport of goods and services, and VAT changes.

Reason for Referrals



Feedback

The data received highlighted that businesses were satisfied in terms of the advice and support from the international trade and VAT advice, as well as the support available for the businesses in relation to grants or training. The limited feedback revealed that the majority of respondents reported being happy with the advice and support received from the Growth Hubs. Furthermore, around 72% of respondents were satisfied in terms of VAT (specialist) advice and International Trading advice.

The data highlighted that businesses still require further support because not all businesses are affected by EU exit only but are also affected by the pandemic. Also, some businesses were unable to separate the impacts EU exit and/or Covid-19 had on their businesses, meaning it is difficult for them to know which support they require to protect their company. To sum up, the majority of businesses' issues can be resolved by seeking support and advice from the Growth Hubs.

Engagements

The CWLEP Growth Hub, on behalf of the West Midlands Growth Hubs, engaged with companies to provide them support and advice to reach relevant decisions. The following engagement avenues were deployed via the West Midlands Growth Hubs:

- Social media such as LinkedIn or Twitter
- Diagnostic telephone engagement
- Emails

- Newsletter
- Referrals
- Website

The telephone engagements gave businesses the opportunity to explain their issues and ongoing challenges they faced throughout the pandemic, as well as during the EU Transition. **The data revealed that around 149,147 attempts (27.1% of the national attempts) were made to contact businesses** during the period between the 15th of January to the 31st of March 2021 within the West Midlands. **25,260 businesses were actually contacted in the West Midlands during that same period**, and this made up **21.5% of the national actuals figure**.

Social media and email have been extensively used to increase awareness and encouraged businesses to seek support from the Growth Hubs. It has been reported that **4,474 businesses have visited the dedicated EU Transition website via social media links**. Furthermore, **445 individuals clicked through on social media and 854 clicked through on emails in relation to the Brexit events**.

[Report based on the effect of COVID-19 on large companies – Milford and Marah](#)

The report by Milford and Marah focused on **research into large companies (larger than 250FTE) with their Head Office in the West Midlands**. It revealed that **larger companies planned ahead of time for the end of the EU Transition period**, and they also did not face any immediate issues.

However, **their plans had been disrupted as they felt that it was difficult to isolate the effects of Covid-19 and EU Exit on their businesses**. Furthermore, they also stated that adverse consequences are not showing yet. This is particularly common across industries most affected by Covid-19 such as hospitality and tourism, where the consensus is that the effect is going to be felt after the lockdown has lifted and the economy fully reopens.

EU Exit is a concern for some large companies (such as import-based companies) since they expect it to have direct cost implications caused by leaving the single market and customs union. On other hand, other companies (such as UK only suppliers) anticipated that it will have no or little effect on their businesses.

One other common topic that the report found was the likely **effect on staffing levels because of the end of the free movement of people**. It seemed that these adverse effects were not yet being felt because it is currently being alleviated by the increased pool of UK-laborers that are unemployed because of the pandemic. Nevertheless, this effect does not apply equally to all industries.

Coventry & Warwickshire

Summary

The West Midlands Growth Hubs led on this EU Transition diagnostic. In this section we highlight the effects that the EU Transition period will have on Coventry & Warwickshire businesses. Of businesses surveyed, **19% are in the Coventry and Warwickshire LEP area**. Businesses in this area seem to be most interested in accessing EU Transition support within the following categories: **import/export, customs, and VAT changes**.

From this diagnostic, the **top support service that businesses require from the CWLEP Growth Hub is EU transition business support, at 20%, followed by 19% for Growth Hub business support**.

Just under half of those that were surveyed are aware of the changes that came into effect at the start of the year regarding the flow of people, data, goods and services between the UK and EU. Businesses can use the Brexit Checker tool to identify quickly what they need to do in order to be prepared for the EU Exit. In the survey, we analysed the amount that have used this feature and 29% of Coventry and Warwickshire businesses have used this tool.

Business Profile

The size profile of businesses who took part in the survey in the Coventry & Warwickshire area are as follows:

- 7% sole employee
- 55% micro (2-9 employees)
- 31% small (10-49 employees)
- 7% medium (50-249 employees)

All businesses surveyed within the region are registered with HM Revenue & Customs.

Only 4 companies (2%) indicated that they are owned in some capacity by an EU Organisation.

Legal Status	% of Total
Private Limited Company	92%
Charity, CIC or Social Enterprise	1%
Sole Trader	7%

Employees

Most businesses that have been in contact do not deploy staff to work overseas (88%). **Companies in the Arts, Entertainment & Recreation (50%) and Digital & Creative (29%) sectors are reporting to be the most affected by the EU Transition with the deployment of workers abroad.**

Of the firms surveyed, **20% reported that they employ EU Nationals** (which could be affected by the new government points-based Immigration system), the amount or proficiency of staff could be altered due to the new system. The **Construction industry hires 43% of their workers from the European Union according to this diagnostic.**

Turnover

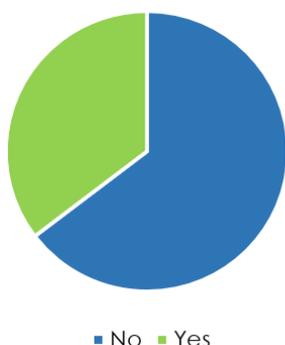
There was representation of Coventry & Warwickshire's core SME market amongst the businesses who took part in this diagnostic. **Of businesses surveyed, 60% have an annual turnover of over £250K.** A breakdown of the data shows 58% of Retail & Wholesale companies have a turnover of over £250K. Half of Transportation & Haulage businesses also made over the £250K mark. **Three quarters of Arts, Entertainment & Recreation businesses who took part in the diagnostic made under £250K, which could be linked to the effect that the EU Transition period is having on this sector.**

Import & Exports

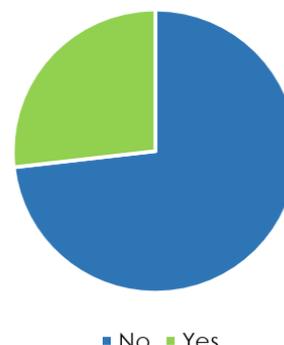
Over two-fifths (41%) of companies' management teams have carried out assessments on the effect that the EU Transition will have on their business. After analysis, **50% of Advanced Manufacturing & Engineering and 42% of Retail & Wholesale businesses have currently undertaken EU Transition risk assessments.** All Real Estate and Arts, Entertainment & Recreation businesses have not participated in any evaluations regarding the changes in the UK's relationship with the EU.

Over two-thirds of businesses in the area do not Import/Export to countries within the EU. **Under a third of Professional Services and a quarter of Administrative & Support Services businesses send and receive goods to and from countries within Europe.** These are similar statistics for companies dealing with Non-EU countries, with 8% less that would Import/Export outside of the EU. **Over a third of Retail & Wholesale businesses imported and exported goods/services outside of the EU.**

Import/Export to EU Countries



Import/Export to Non-EU Countries



After analysing the survey, only 4% of those surveyed have plans to commence trading with the EU now the UK has officially left. This could be due to hesitancy with operating in the European Union in some manner. Now that the new rules have come into force, **16% of businesses have reviewed their international trade and customs process.** Companies in the Advanced Manufacturing & Engineering (31%) and Retail & Wholesale (23%) sectors have all been reviewing their processes, while none of those surveyed in the Accommodation & Food Service and Financial Services sectors have reviewed their process in relation to the EU Transition.

The Coventry & Warwickshire area was the third highest group to have a high proportion of businesses trading goods with EU countries, and the fourth highest group trading goods with non-EU countries. The data revealed that only 4% of businesses intended to trade goods with international countries based on the last three months data. The Coventry & Warwickshire Growth Hub had the highest percentages of supporting businesses in the past (at 32%) based on the last

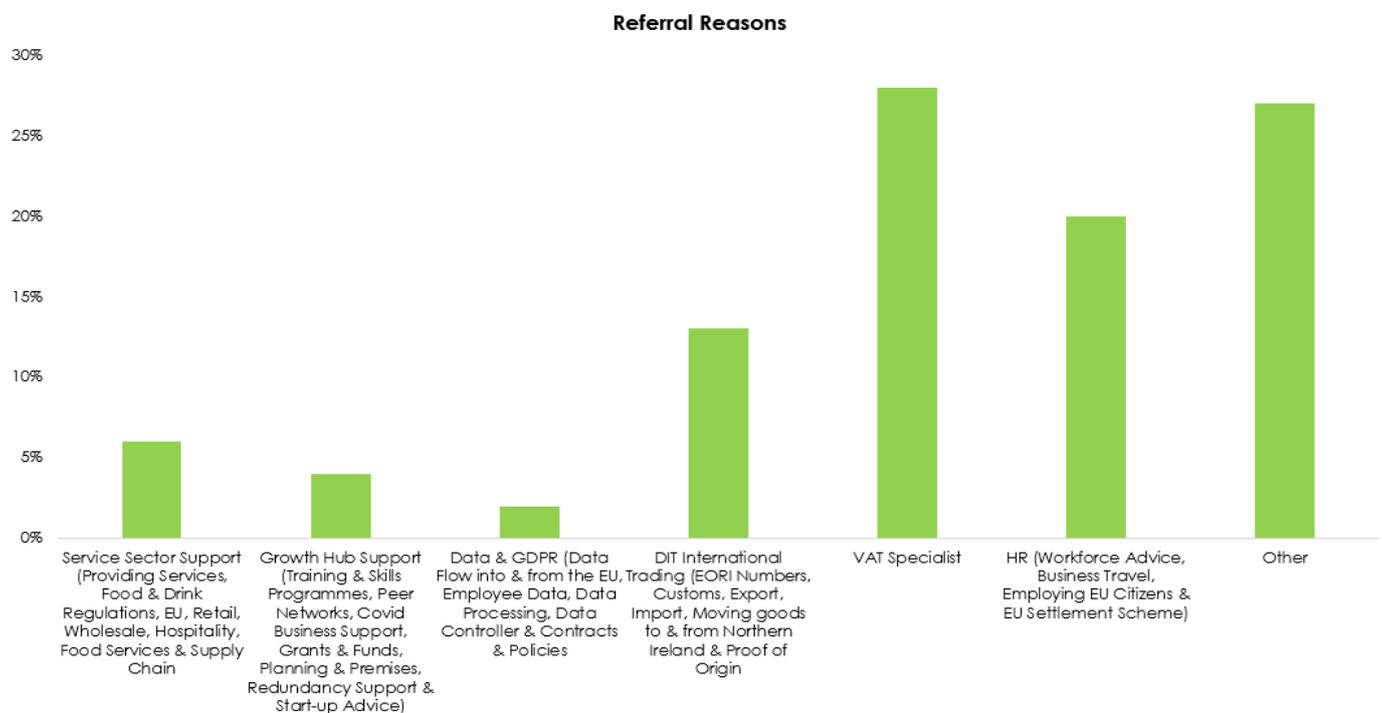
three months data. This suggests that the CWLEP Growth Hub has successfully engaged with a high proportion of the business population prior to the introduction of additional EU Support.

Business Support

Referrals

In this segment, we focus on the support requested for Coventry & Warwickshire businesses. 26% of businesses that had been referred are in the Coventry & Warwickshire LEP area.

According to the chart below, **under a third (28%) of those that have completed the diagnostic were referred for support by a VAT Specialist**, which includes any changes throughout the EU Transition period that would affect this option. **20% of Businesses identified that they needed HR Support & Advice**, which would include assistance for the personnel and hiring nationals from the European Union.



From this diagnostic, **a quarter (25%) of businesses stated that they require support from the CWLEP Growth Hub urgently**. These businesses required immediate action or attention which could be mostly due to the EU Transition period with companies urgently needing to adjust their practices to align with the new rules between the UK and EU.

Greater Birmingham & Solihull

Summary

The West Midlands Growth Hubs led on this EU Transition diagnostic. In this section, we highlight the effects the EU Transition period will have on Greater Birmingham & Solihull businesses. **24% of businesses surveyed are in the Greater Birmingham and Solihull LEP area.** Businesses in this area seem to be most interested in accessing EU Transition support within the following categories: **import/export, Customs, and VAT changes.**

From this diagnostic, **20% of businesses stated that they require EU Transition support from the GBSLEP Growth Hub.**

Under two-thirds (63%) of those that have completed the diagnostic were aware of the changes at the start of the year regarding the flow of people, data, goods and services between the UK and EU. Businesses can use the Brexit Checker tool to identify quickly what they need to do to be prepared for the EU Exit. It appears that under two-fifths (37%) of businesses used this.

Business Profile

The size profile of businesses who took part in the survey in the Greater Birmingham & Solihull area are as follows:

- 11% sole employee
- 53% micro (2-9 employees)
- 29% small (10-49 employees)
- 5% medium (50-249 employees)
- 1% large (250+ employees)

All but three (1%) of the businesses surveyed within the region are registered with HM Revenue & Customs.

4% of companies indicated that they are owned in some capacity by an EU Organisation.

Legal Status	% of Total
Private Limited Company	92%
Charity, CIC or Social Enterprise	1%
Sole Trader	7%

Employees

Most businesses that have been in contact do not deploy staff to work overseas (92%). Companies in the **Accommodation & Food Service (50%) sector are reporting to be the most affected by the EU Transition with the deployment of workers abroad.**

Of the firms surveyed, **19% reported that they employ EU Nationals** (meaning they could be affected by the new government points-based Immigration system), the amount or proficiency of staff could be altered due to the new system. The **Transportation & Haulage industry hire 31% of workers from the European Union** according to this diagnostic.

Turnover

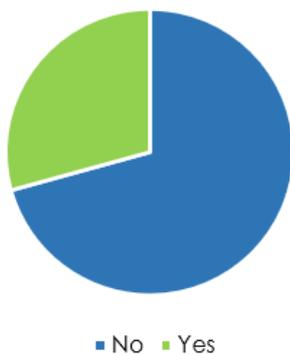
There was representation of the Greater Birmingham & Solihull core SME market amongst the responses to the diagnostic. **59% of businesses in total have an annual turnover of more than £250K. A breakdown shows 63% of Advanced Manufacturing & Engineering companies have a turnover of more than £250K, which links to this sector becoming one of the fastest growing in recent years.** Over two-fifths (44%) of the businesses in the Consumer Goods sector also made more than £250K in turnover. 75% of Metals & Materials businesses had a turnover under this figure.

Import & Exports

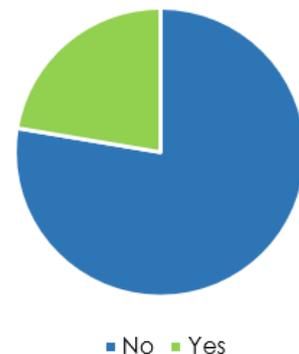
Under half (45%) of the companies' management teams have carried out assessments of the effects EU Transition will have on their business. 57% of Advanced Manufacturing & Engineering and 33% of Retail & Wholesale have currently undertaken these assessments. **No businesses from Environmental and Accommodation & Food Service have completed any evaluation regarding the changes in relationship with the EU.**

Under two-thirds of businesses in the area do not import or export to countries within the EU. Over **two-thirds of those in the Consumer Goods sector and over a third of those in Advanced Manufacturing & Engineering send and receive goods to and from countries within the EU.** These are similar statistics for companies dealing with non-EU countries, with 8% less that would import/export. 33% of Retail & Wholesale businesses imported and exported goods/services outside of the EU.

Import/Export to EU Countries



Import/Export to Non-EU Countries



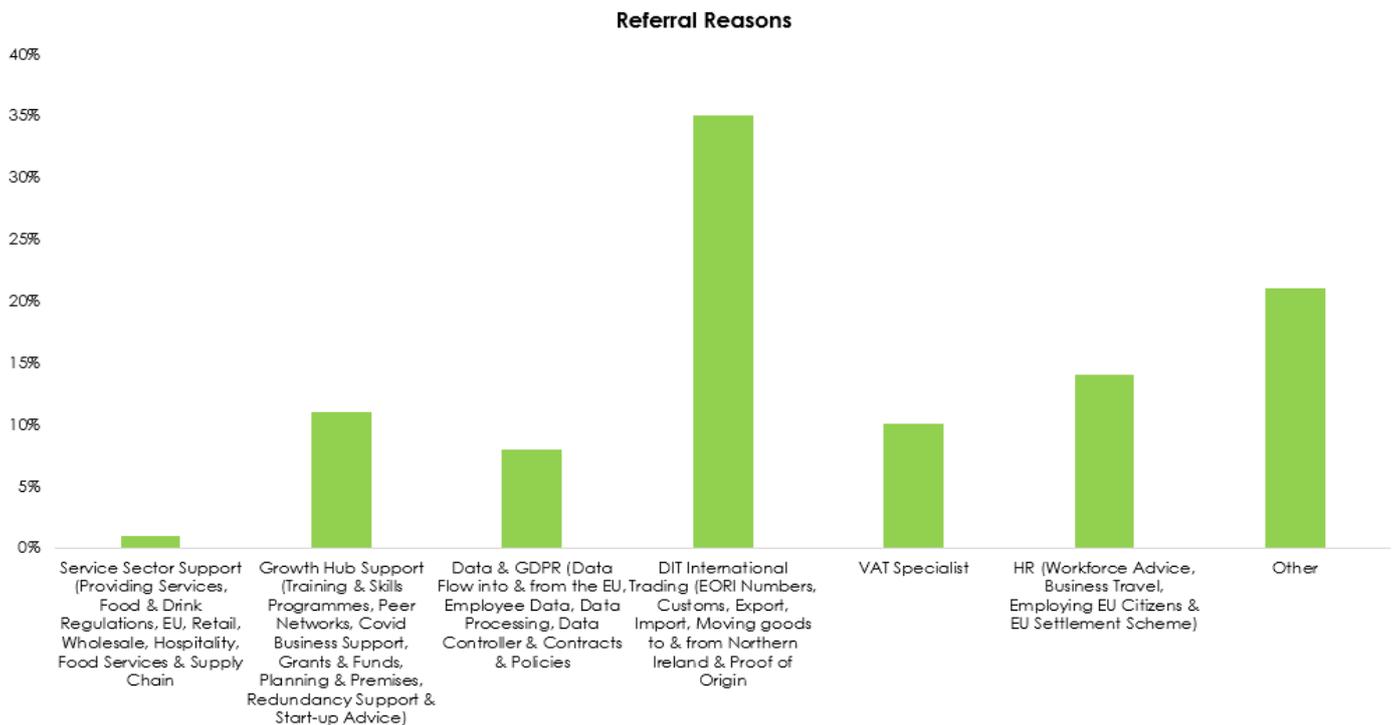
Based on the diagnostic responses, only 4% of businesses have plans to commence trading with the EU now the UK has officially left, indicating that most businesses are using services within the country. Now that the new rules have come into force, **16% of businesses have reviewed their international trade and customs process.** Companies in the Administrative & Support Services (20%) sector have been reviewing their processes the most, while none of those in Accommodation & Food Service nor the Chemicals sector have done so.

Business Support

Referrals

In this segment, we focus on the support requested for Greater Birmingham & Solihull businesses. 21% of businesses that had been referred are in the Greater Birmingham and Solihull LEP area.

According to the chart below, under **two-fifths (35%) of those that have completed the diagnostic were referred for support in DIT/International Trading**, which includes Import and export across the border. **14% of Businesses identified quickly that they needed HR Support & Advice** which would include assistance for the personnel and hiring nationals from the European Union.



From this diagnostic, **over two-fifths (42%) of businesses stated that they require support from the GBSLEP Growth Hub urgently**. These businesses required immediate action or attention which could be mostly due to the EU Transition period with companies urgently requiring to adjust their practices to align with the new rules between the UK and EU.

Stoke-on-Trent & Staffordshire

Summary

The West Midlands Growth Hubs led on this EU Transition diagnostic. In this section we highlight the effects the EU Transition period will have on Stoke-on-Trent & Staffordshire businesses. **18% of businesses who completed the diagnostic are located in the LEP area.** Businesses in this area seem to be mostly interested in **import/export, customs and VAT changes** that may affect their company financially.

From this diagnostic, **the top support service that businesses require was the 'EU Transition Support' (at 21%) followed by 14% for 'Growth Hub Business Support'**. On the other hand, none of the businesses highlighted a need for support with 'Visa requirements for providing expert engineering work in EU countries.

Just over half of those that have been surveyed are aware of the changes at the start of the year regarding the flow of people, data, goods and services between the UK and EU. Businesses can use the Brexit Checker tool to quickly identify what they need to do in order to be prepared for the EU Exit. It appears that over a quarter (26%) of businesses have used this.

Business Profile

The size profile of businesses who completed the diagnostic in the Stoke-on-Trent & Staffordshire area are as follows:

- 8% sole employee
- 54% micro (2-9 employees)
- 34% small (10-49 employees)
- 4% medium (50-249 employees)
- 1% large (250+ employees)

All businesses surveyed within the region are registered with HM Revenue & Customs.

Only 3% of the companies in the area indicated that they are owned in some capacity by an EU Organisation.

Legal Status	% of Total
Private Limited Company	94%
Charity, CIC or Social Enterprise	1%
Sole Trader	5%

Employees

Most businesses that have been in contact do not deploy staff to work overseas (87%). Companies in the Professional Services (27%) and Advanced Manufacturing & Engineering (20%) sectors are reporting to be the most affected by the EU Transition with the deployment of workers abroad.

Of the firms who responded, **8% reported that they employ EU Nationals** meaning they could be affected by the new government points-based Immigration system. The quantity or proficiency of staff could change due to the new system. **The Construction sector hire 13% of workers from the European Union,** meaning that it would be the sector most affected.

Turnover

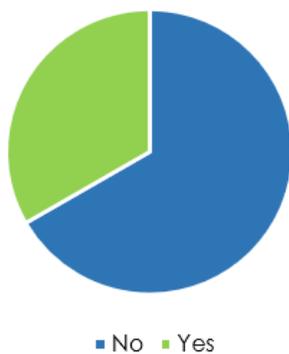
There was representation of Stoke-on-Trent & Staffordshire core SME market amongst the responses to the diagnostic. In total, **65% of businesses have an annual turnover of more than £250K**. A breakdown shows **66% of Advanced Manufacturing & Engineering companies have a turnover of more than £250K**, which links to this sector expanding in recent years. Almost two thirds of Retail & Wholesale also made over this amount. Half of Accommodation & Food Service businesses made under the total turnover amount of £250K, which could be due to the COVID-19 pandemic.

Import & Exports

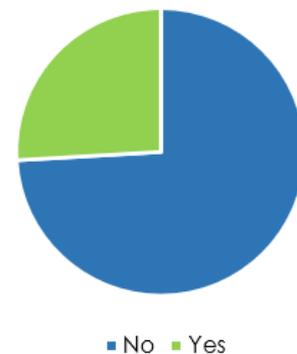
In total, 38% of companies' management teams have carried out assessments of the effects EU Transition will have on their business. After analysis, 47% of Professional Services and 45% of Electronics & Machinery have currently carried out assessments regarding this issue. All Accommodation & Food Service, Environmental and IT Services businesses have not carried out any evaluations regarding the changes in relationship with the EU.

Two-thirds (67%) of businesses in the area do not import or export to countries within the EU. Under half (46%) of Advanced Manufacturing & Engineering and Human Health & Social Care (40%) send and receive goods to and from countries within the EU. These are similar statistics for companies dealing with Non-EU countries, with 7% less that would import/export. 43% of Retail & Wholesale businesses import and export goods/services but outside the EU.

Import/Export to EU Countries



Import/Export to Non-EU Countries



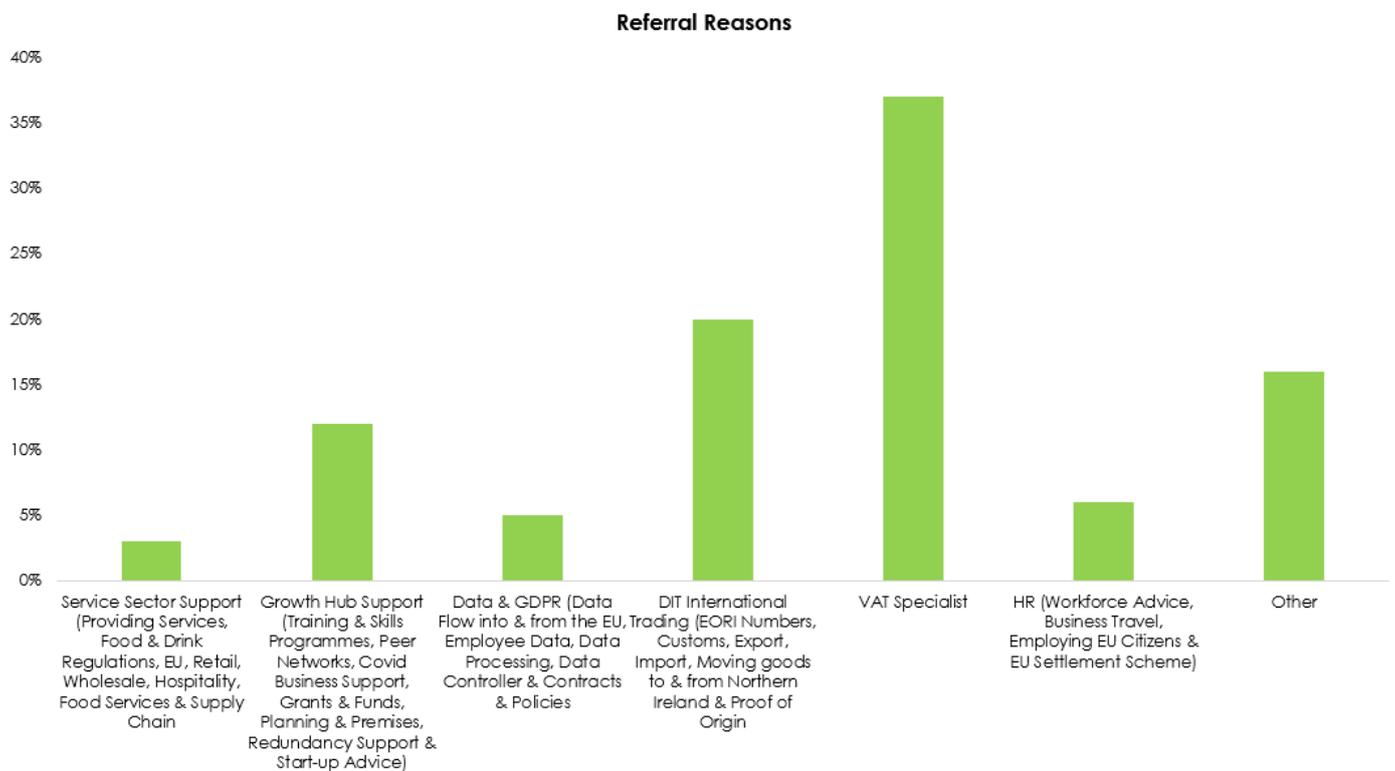
After analysing the diagnostic, **only 5% of those who responded have plans to commence trading with the EU now the UK has officially left**. Some (67%) IT Services businesses are planning to start operating in the European Union in some manner. Now that the new rules have come into force, **18% of businesses have reviewed their international trade and customs process**. Companies in the Advanced Manufacturing & Engineering (29%) and Transportation & Haulage (22%) sectors have all been reviewing their processes, compared with none of those in the Real Estate and Metals & Materials industries.

Business Support

Referrals

In this segment, we focus on the support requested for Stoke-on-Trent & Staffordshire businesses. 23% of businesses that had been referred are in the Stoke-on-Trent and Staffordshire LEP area.

According to the chart below, **under two-fifths (37%) of those that have completed the diagnostic were referred for support by a VAT Specialist**, which includes any changes throughout the EU Transition period that would affect this option. **20% of Businesses identified quickly that they needed DIT International Trading Support & Advice** which would include Import and export across the border.



From this diagnostic, a **third (33%) of businesses stated that they require support from the SSLEP Growth Hub urgently**. These businesses required immediate action or attention which could be mostly due to the EU Transition period with companies urgently requiring to adjust their practices to align with the new rules between the UK and EU.

The Black Country Summary

The West Midlands Growth Hubs led on this EU Transition diagnostic. In this section we highlight the effects the EU Transition period will have on the Black Country businesses. **15% of businesses who completed the diagnostic are located in the LEP area.** Businesses in this area seem to be mostly interested in **import/export, customs and VAT changes** that may affect their company financially.

From this diagnostic, **the support service that businesses required the most was the 'EU Transition Support' (at 20%), followed by 15% for 'Opt-in to your local Growth Hub's Business Support Newsletter'**. On the other hand, none of the businesses highlighted a need for support with 'Visa requirements for providing expert engineering work in EU countries' nor 'Grants'.

Over a half (54%) of those that have completed the diagnostic are aware of the changes at the start of the year regarding the flow of people, data, goods and services between the UK and EU. Businesses can use the Brexit Checker tool to identify quickly what they need to do in order to be prepared for the EU Exit. It appears that **30% of businesses have used this.**

Business Profile

The size profile of businesses who took part in the survey in the Black Country area are as follows:

- 7% sole employee
- 58% micro (2-9 employees)
- 30% small (10-49 employees)
- 4% medium (50-249 employees)
- 2% large (250+ employees)

All businesses surveyed within the region are registered with HM Revenue & Customs.

All but five (4%) of the companies in the area indicated that they are not owned in some capacity by an EU Organisation.

Legal Status	% of Total
Private Limited Company	92%
Charity, CIC or Social Enterprise	2%
Sole Trader	7%

Employees

Most businesses that have been in contact do not deploy staff to work overseas (86%). Companies in Transportation & Haulage (20%) and Construction (both 15%) sectors are reporting to be the most affected by the EU Transition with the deployment of workers abroad.

Of the firms who responded, **16% reported that they employ EU Nationals**, meaning they could be affected by the new government points-based Immigration system. The quantity or proficiency of staff could change due to the new system. **Businesses from Consumer Goods hire 25% of their workers from the EU**, which means that industry would be most affected.

Turnover

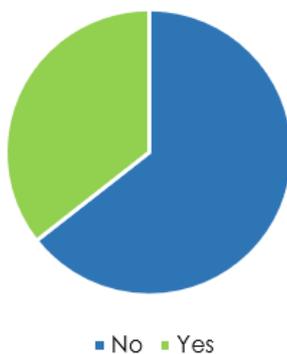
There was representation of the Black Country core SME market amongst the diagnostic responses. In total, **64% of businesses have an annual turnover of more than £250K**. A breakdown shows 88% of Advanced Manufacturing & Engineering companies have a turnover of more than £250K. 85% of Construction also made over this amount. All Agriculture Forestry & Fishing businesses made under the turnover amount of £250K, which could be due to the EU Transition period and the COVID-19 pandemic.

Import & Exports

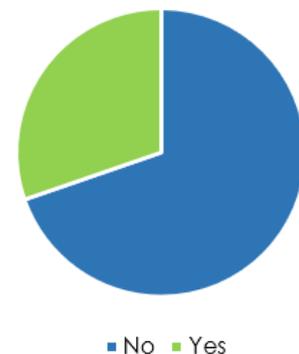
Under three fifths (**58%**) of companies' management teams have carried out assessments of the effects EU Transition will have on their business. 67% of Human Health & Social Care and 44% of Metals & Materials have currently carried out assessments regarding this issue. No companies within the Environmental sector, nor the Real Estate sector have carried out any evaluation of the changes in relationship with the EU.

Nearly two-thirds (64%) of businesses in the area do not import or export to countries within the EU. 50% of Retail & Wholesale and 50% Advanced Manufacturing & Engineering send and receive goods to and from countries within the EU. These are similar statistics for companies dealing with non-EU countries, with only 6% less that would Import/Export. Under two-fifths (38%) of Professional Services businesses imported and exported goods/services but outside the EU.

Import/Export to EU Countries



Import/Export to Non-EU Countries



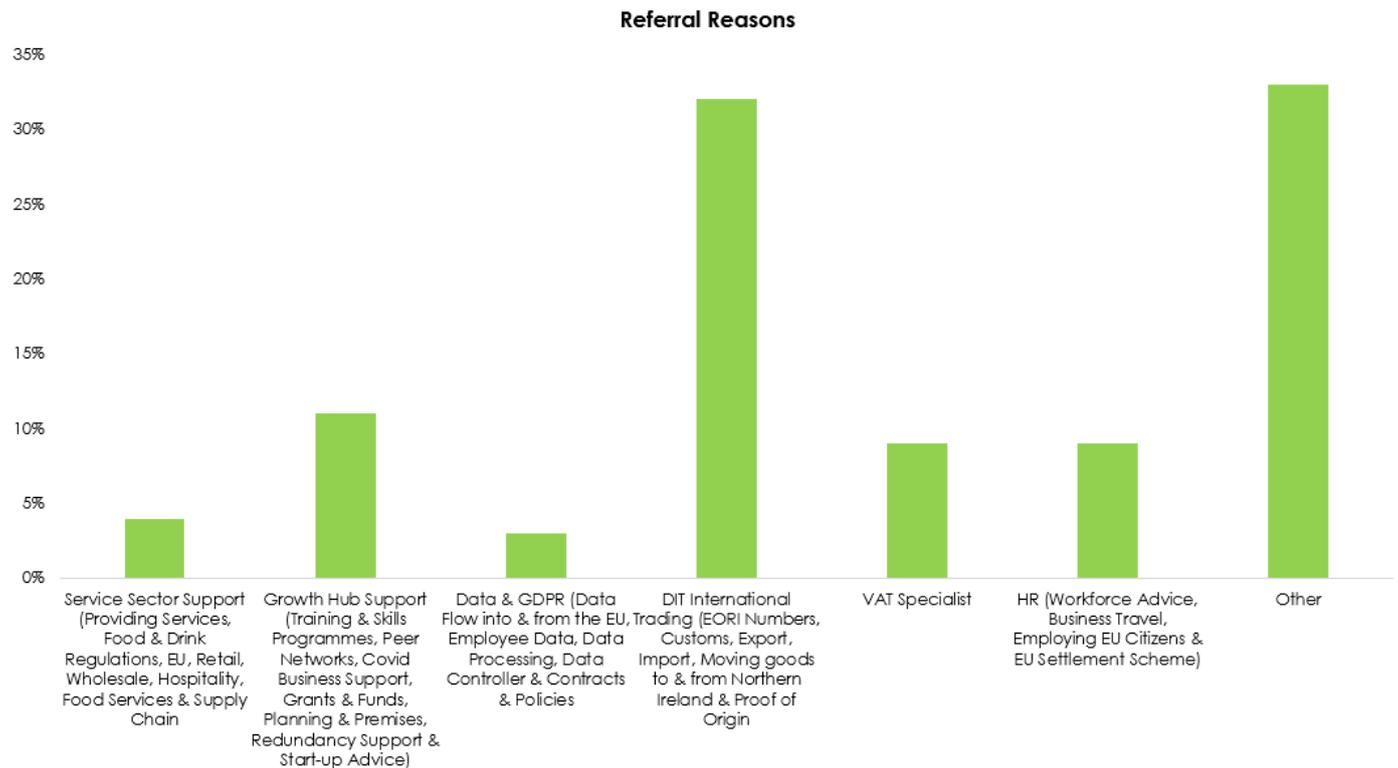
Upon analysis of the diagnostic results, **just 3% of the companies surveyed have plans to commence trading with the EU** now the UK has officially left the EU. **25% of businesses have reviewed their international trade and customs process** now that the new rules have come into force. Companies in the Metals & Materials (44%) and Transportation & Haulage (30%) have been reviewing their processes, compared to those in the Agriculture Forestry & Fishing sector who have not.

Business Support

Referrals

In this segment, we focus on the support requested for Black Country businesses. 14% of businesses that had been referred are in the Black Country LEP area.

According to the chart below, just **under a third (32%) of those that have completed the diagnostic were referred for support in DIT/International Trading**, which includes Import and export across the border. **11% of Businesses identified quickly that they needed Growth Hub Support & Advice** which would include assistance for programmes and grants.



From this diagnostic, under **a fifth (18%) of businesses stated that they require support from the Black Country LEP Growth Hub urgently**. These businesses required immediate action or attention which could be mostly due to the EU Transition period with companies urgently requiring to adjust their practices to align with the new rules between the UK and EU.

The Marches

Summary

The West Midlands Growth Hubs led on this EU Transition diagnostic. In this section we highlight the effects the EU Transition period will have on the Marches businesses. **9% of businesses surveyed are located in the LEP area.** Businesses in this area seem to be mostly interested in **import/export, customs and VAT changes** that may affect their company financially.

From the diagnostic, **the support services that businesses require the most were the 'EU Transition Support' (22%) followed by 15% for 'Opt-in to your local Growth Hub's Business Support Newsletter'.** On the other hand, none of the businesses highlighted a need for support with 'Visa requirements for providing expert engineering work in EU countries' nor 'Grants'.

Over half (54%) of those that have responded to the diagnostic are aware of the changes at the start of the year regarding the flow of people, data, goods and services between the UK and EU. Businesses can use the Brexit Checker tool to identify quickly what they need to do in order to be prepared for the EU Exit. **It appears that just under a half (49%) of businesses have used this.**

Business Profile

The size profile of businesses who took part in the survey in the Marches area are as follows:

- 6% sole employee
- 58% micro (2-9 employees)
- 27% small (10-49 employees)
- 8% medium (50-249 employees)

All but one of the businesses surveyed within the region are registered with HM Revenue & Customs.

Only 5% of companies indicated that they are owned in some capacity by an EU Organisation.

Legal Status	% of Total
Private Limited Company	95%
Sole Trader	5%

Employees

Most businesses that have been in contact **do not deploy staff to work overseas (87%).**

Companies in the Professional Services (33%) and Agriculture Forestry & Fishing (17%) sectors are reporting to be the most affected by the EU Transition with the deployment of workers abroad.

Of the firms surveyed, **21% of businesses reported that they employ EU Nationals,** which could be affected by the new government points-based Immigration system. The quantity or proficiency of staff could change due to the new system. Advanced Manufacturing & Engineering hire 53% of workers from the European Union, which would be the most affected industry.

Turnover

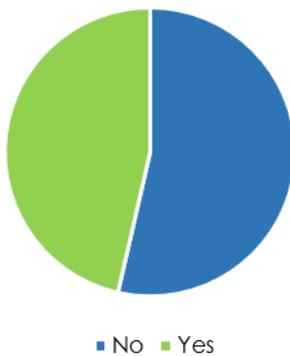
There was high representation of the Marches micro-sized businesses amongst the diagnostic responses. In total, 57% of businesses have an annual turnover of more than £250K. A breakdown shows that 67% of Advanced Manufacturing & Engineering and Retail & Wholesale businesses have a turnover of more than £250K during this period. Under three quarters (71%) Construction businesses made under the total of £250K, which could be due to both the EU Transition period and the COVID-19 pandemic.

Import & Exports

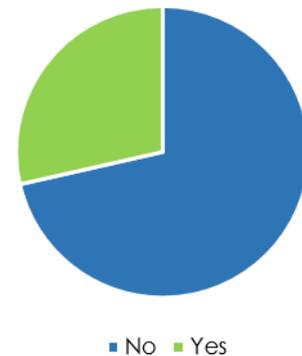
Under half of companies' management teams have carried out assessments of the effects EU Transition will have on their business. After analysis, 57% of Construction businesses and 53% of those in Advanced Manufacturing & Engineering have currently carried out assessments regarding this issue. All Administrative & Support Services, Digital & Creative and Human Health & Social Care sectors have not carried out any evaluation of the changes in relationship with the EU.

Just over half (54%) of businesses in the area do not import or export to countries within the EU. Two-thirds of Agriculture Forestry & Fishing and Electronics & Machinery send and receive goods to and from countries within the EU. These statistics are similar for companies dealing with non-EU countries, with 2% more that would import/export. 32% of Retail & Wholesale businesses imported and exported goods/services outside the EU.

Import/Export to EU Countries



Import/Export to Non-EU Countries



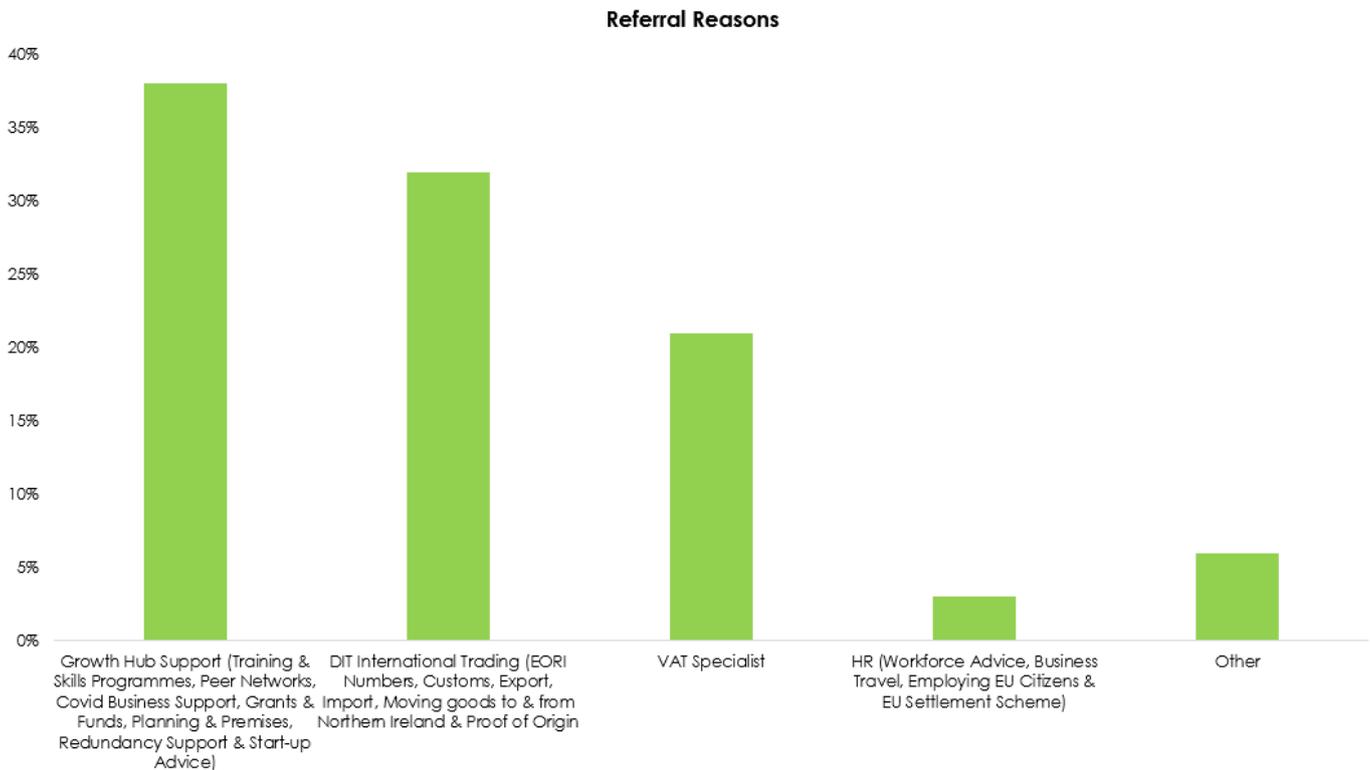
Upon analysis of the diagnostic, **2% of those who responded have plans to commence trading with the EU** now the UK has officially left it, indicating businesses are wary of planning to start operating in the European Union in some manner. Now that the new rules have come into force, **17% of businesses have reviewed their international trade and customs process.** 67% of companies in the Agriculture Forestry & Fishing sector have been reviewing their processes while none of those in the Construction and Accommodation & Food Service have done so.

Business Support

Referrals

In this segment, we focus on the support requested for Marches businesses. 5% of businesses that had been referred are in the Marches LEP area.

According to the chart below, under **two-fifths (38%) of those that have completed the diagnostic were referred for Growth Hub support**, including Programmes, grants and business assistance. Under **a third (32%) of Businesses identified quickly that they needed DIT/International Trading Support & Advice** which would include assistance for importing and exporting to and from the European Union.



From this diagnostic, none of the businesses surveyed stated that they require support from the MLEP Growth Hub urgently. These businesses may have made early changes to the EU Transition period themselves, adjusting their practices to align with the new rules between the UK and EU.

Worcestershire

Summary

The West Midlands Growth Hubs led on this EU Transition diagnostic. In this section we highlight the effects the EU Transition period will have on Worcestershire businesses. **14% of businesses surveyed are located in the LEP area.** Businesses in this area seem to be mostly interested in **import/export, customs** and **VAT changes** that may affect their company financially.

From the diagnostic, **the support services that businesses require the most were the 'EU Transition Support' (19%) and 'Growth Hub Business Support' (16%).** On the other hand, no businesses indicated a need for support with 'Grants nor 'Options on marketing support & market research'.

Just under two-thirds (66%) of those that have completed the diagnostic are aware of the changes at the start of the year regarding the flow of people, data, goods and services between the UK and EU. Businesses can use the Brexit Checker tool to identify quickly what they need to do in order to be prepared for the EU Exit. **It appears that under two-fifths (36%) of businesses have used this.**

Business Profile

The size profile of businesses who took part in the survey in the Worcestershire area are as follows:

- 13% sole employee
- 51% micro (2-9 employees)
- 30% small (10-49 employees)
- 5% medium (50-249 employees)

Of businesses surveyed, 98% within the region are registered with HM Revenue & Customs.

Only six of the companies indicated that they are owned in some capacity by an EU Organisation.

Legal Status	% of Total
Private Limited Company	88%
Charity, CIC or Social Enterprise	2%
Sole Trader	9%

Employees

Most businesses that have been in contact do not deploy staff to work overseas (93%). Companies in the Accommodation & Food Service (20%) sector are reporting to be the most affected by the EU Transition with the deployment of workers abroad.

Of the firms who responded, **15% of businesses reported that they employ EU Nationals,** meaning they could be affected by the new government points-based Immigration system. The quantity or proficiency of staff could change due to the new system. **The Agriculture Forestry & Fishing industry hire 50% of workers from the European Union,** meaning this industry would be affected the most, **with Human Health & Social Care,** hiring 40% of their staff from the EU.

Turnover

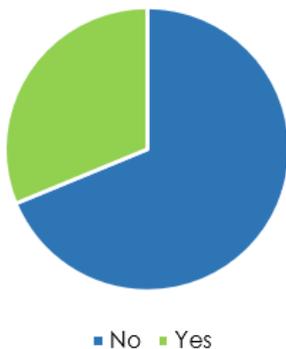
There was representation of Worcestershire core SME market amongst the businesses who completed the diagnostic. In total, **61% of businesses have an annual turnover of more than £250K.** A breakdown shows two-thirds of Electronics & Machinery companies have a turnover of more than £250K. 65% of Advanced Manufacturing & Engineering also made over this amount. All Education & Training businesses made under the turnover total of £250K which could be due to the EU Transition period.

Import & Exports

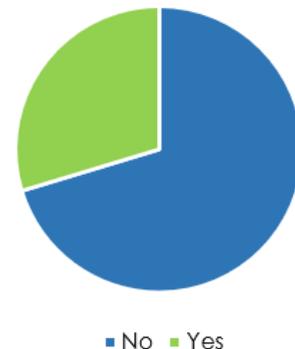
Over a third (38%) of companies' management teams have carried out assessments of the effects that the EU Transition will have on their business. After analysis, over two-fifths (42%) of businesses within Construction and two-fifths (40%) Accommodation & Food Service have currently carried out assessments regarding this issue. No businesses within Administrative & Support Services and Chemicals sectors have carried out any evaluation of the changes in relationship with the EU.

Over two-thirds of businesses in the area (69%) do not import or export to countries within the EU. 59% of Retail & Wholesale and 53% Advanced Manufacturing & Engineering send and receive goods to and from countries within the EU. These are similar statistics for companies dealing with non-EU countries, with the 7% less that would import/export. Three quarters of Consumer Goods businesses appear to be importing and exporting goods/services but outside the EU.

Import/Export to EU Countries



Import/Export to Non-EU Countries



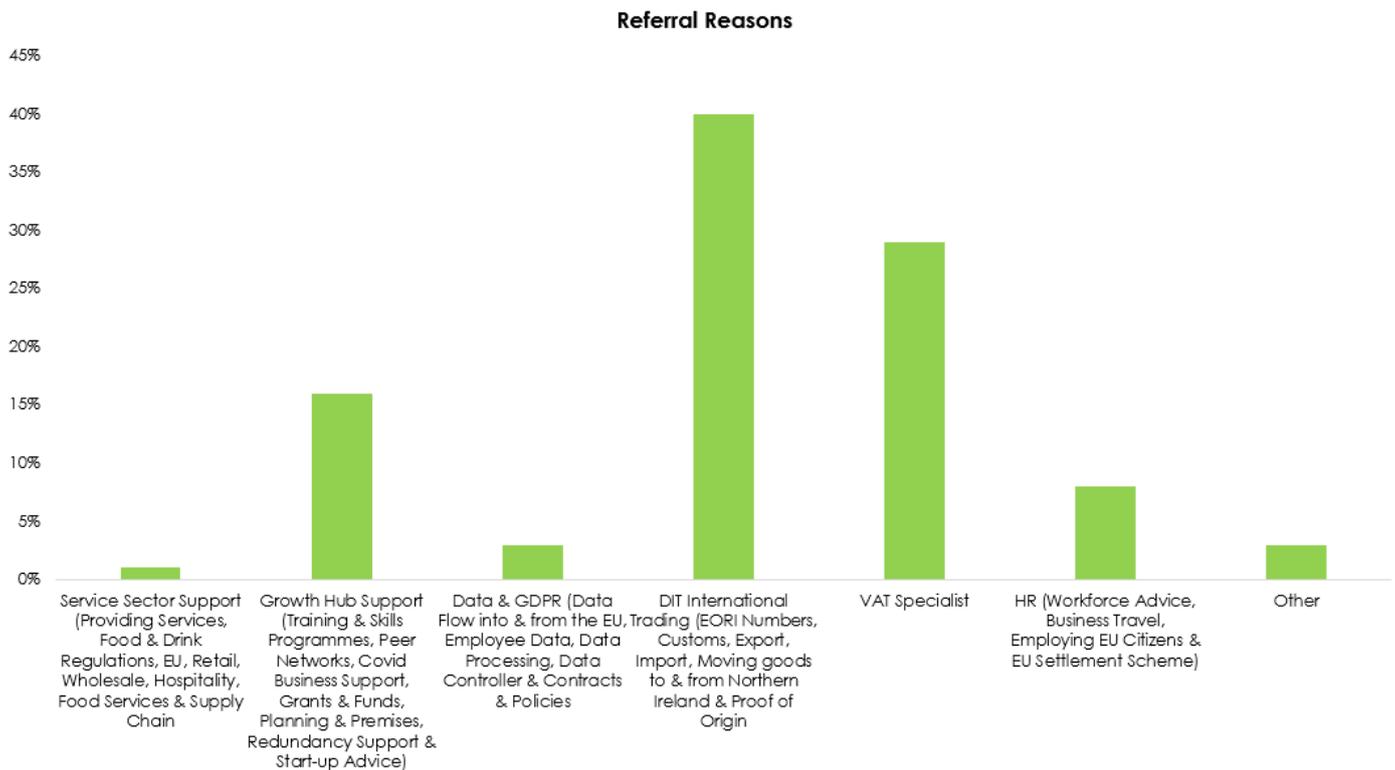
Upon analysis of the diagnostic results, **6% of those who responded have plans to commence trading with the EU**, now the UK has officially left it. Now that the new rules have come into force, **a fifth (20%) of businesses have reviewed their international trade and customs policies.** Companies in the Retail & Wholesale (36%) and Professional Services (24%) sectors have been reviewing these processes while none of those in the Real Estate and Digital & Creative have done so.

Business Support

Referrals

In this segment, we focus on the support requested for Worcestershire businesses. 12% of businesses that had been referred are in the Worcestershire LEP area.

According to the chart below, **two-fifths (40%) of those that have completed the diagnostic were referred for support in DIT/International Trading**, which includes Import and export across the border. **29% of Businesses identified quickly that they needed a VAT Specialist** which would include any changes throughout the EU Transition period that would affect this option.



From this diagnostic, **only 7% of businesses stated that they require support from the Worcestershire LEP Growth Hub urgently**. These businesses required immediate action or attention which could be mostly due to the EU Transition period with companies urgently requiring to adjust their practices to align with the new rules between the UK and EU.