

# EUROPE IN MY VILLAGE

## Conversations in my South Cambridgeshire Community

*Compiled by Susan van de Ven, Cambridgeshire County Councillor*

### The Farmer

*Brexit will lose me markets and East European labour.*

*If we end up with a deal enabling trade with Europe I will still have to meet European standards. But I will have no influence in shaping those standards. And I will no longer be able to access the kind of EU grant funding that has allowed my farming business to diversify and survive.*

*Without East European labour I cannot plant and harvest - already that labour supply is reducing due to the fall in the pound and, frankly, the anti-immigrant mood doesn't help.*

*I must plant my next crop this week; at this point I don't know if enough seasonal workers will be available. [On 6 September the government said it may facilitate visas for people to work on farms.]*



### The Engineering Firm

*As a services business, we do 30% of our business in the USA – which is benefiting slightly from the weaker pound – but about the same or slightly more with companies based on the continent. We have a number of regular customers in France and Germany, and the convenience of being able to jump on a Eurostar or a cheap flight from Stansted and go to see them cannot be overstated. I would have voted to put the UK into Schengen if that option had ever been presented to me!*

*But the biggest impact of Brexit on business will be the loss of freedom of movement rights – employing talented people from the continent will become a lot more hassle than it previously was. I remember years ago one of my managers in a previous firm having to sign paperwork for a Polish colleague in the days before Poland was in the EU, and at my old job in Oxford we often had to wait several months for visa/work permit paperwork for new employees coming from outside the EU. I would estimate that 15% of our workforce was born outside the UK, and overwhelmingly they're here on EU passports.*

*In the wider industry, loss of access to the Customs Union will be a big blow. At the moment, I can pack a box of goods and ship them anywhere in the EU and know I'll get next day delivery. If I ship to the USA, the parcel may spend a week or more waiting for customs clearance. Many businesses have built pan-European supply chains: I can order electronic components from Farnell (a UK company based in Leeds, although now owned by a bigger US company, Avnet) and as long as I order before 8pm, have them delivered before midday the next day. Around 50% of the time those goods have been shipped from a warehouse in Belgium rather than in the UK – it makes sense for them to consolidate their business into fewer large warehouses because they don't need to worry about customs checks.*

*Brexit puts all of that under threat – businesses who are mostly based on the continent are likely to withdraw manufacturing from the UK unless we stay in the customs union, with UK operations being confined to warehousing goods that have been shipped over. And customs delays mean that goods need to be stocked in warehouses in larger quantities to guarantee supply – because “just in time” from the continent is no longer possible – so prices go up to cover the cost of running the extra warehousing.*

## **The Headteacher**

Brexit isn't just an abstract thing that is happening in Westminster and Brussels. It has an effect on every one of us, in all of our lives. Take this for an example.

I am headteacher of a small primary school in Cambridgeshire. In the last few years, we have struggled to keep our heads above water financially, because, compared to other local authorities, Cambridgeshire has been historically underfunded. Yet with prudence and a lot of volunteer fundraising, we have got by.



But now we are being hit by a perfect storm. The fairer funding formula we have long campaigned for, has been unveiled: we are horrified to find that it leaves us with less money than we had before, due to the way the funding has been divided up. Not only that, but an increase in pension contributions, the apprenticeship levy and the move to the living wage, which has led to a rise in the cost of our cleaning services, have all meant that our funding doesn't stretch as far as it used to.

And then Brexit has played its part. Our catering provider says that he must put up the cost of his services because the falling pound has increased the cost of imported foods and transport costs. Then we find the school's energy costs are increasing, again because of the lower value of the pound. What does this mean for our school?

Well, I have a choice. I can cut staff, reduce the number of classes in the school and increase the number of children in each class. With this option, one class will contain 45 children during the afternoons, but the classroom isn't big enough for 45 chairs and tables. Some of the children will have to work on the floor. There won't be space for any practical work, and it will get pretty stuffy in the summer.

The alternative choice is to cut all the extras that children in other, bigger, better-funded schools get: no more specialist music teaching, no more specialist French teaching, no more supply teachers to cover teachers when they go on courses - instead, the cover will be provided by teaching assistants or myself, no more new books or PE equipment, certainly no new computers.

## The General Practice



*I've lived in this country for over thirty years, working as a GP and looking after people here in my community.*

*Do you want me to go back to Germany now?*

## The Medical Devices Company

Keith's small company is typical of the many South Cambridgeshire high-tech businesses that change people's lives for the better through amazing inventions and make a significant contribution to the public purse through paying corporation tax, business rates, VAT, National Insurance and income tax.

Currently on the go: a revolutionary device that injects energy into the heart during surgery to correct irregular heartbeat conditions, precluding the need to stop the heart altogether – thereby greatly reducing risk of not surviving surgery.

The American buyer that commissioned Keith's company over all others in a highly competitive global high-tech market did so because they could be absolutely assured of the Cambridge brand: the product and its delivery would be perfect.

That Cambridge brand doesn't exist in isolation but is part of a world of research and development that supersedes national borders. Freedom of collaboration across Europe has produced a thriving culture of innovation. And it's not just the generation of ideas, but practicalities like the Customs Union that make it so easy to send and receive component parts in a supply chain that will never be restricted to one country.

Being part of the EU has generated a culture of ideas and contributed hugely to the wealth of the UK. What Keith's company pays into HMRC can be spent on improving a school in Cambridgeshire – or anywhere in the UK.



## The Care Home

*There is no doubt that Brexit is having a negative impact on recruitment within the care industry, not just nurses, but care staff as well.*

*If you ask any provider they will tell you that the biggest challenge they face right now is recruitment, with agency usage at an all-time high and higher staffing costs exerting pressure on financial sustainability with Local Authority fees not keeping pace with staff wage rises. We really struggle to source carers and ancillary workers and this type of work needs support from Eastern European countries to fill in the gaps.*



*Nurse shortages are beyond critical and many homes are having to de-register from nursing to residential, simply because they cannot find nurses locally and agency nurse fees are simply prohibitive. There are 50,000 nurse vacancies in the UK and this will only increase as a third of the*

*current workforce are due for retirement over the next couple of years – all of this being set against an aging population where the demands for beds is now outstripping supply and hospitals are bed blocked.*

## **The Laboratory Equipment Supplier**

Grant Instruments employs about 65 people - many of them living locally. Much of what they make is for export and now travels freely. The end of the Single Market and Customs Union means that the company will have to hold and warehouse stock for distribution - this will be costly and halt the free flow of goods.

Since the EU Referendum, Grant Instruments has been hit by currency volatility - the fall in the pound has hurt their European-based subsidiary, as well as their trade with the Far East. Their pension deficit has risen by 50%. Even before it's started Brexit doesn't seem to be helping Grant Instruments.

Surely, I asked the boss, Government must be concerned about the state of local businesses like this one - for the jobs they provide and their contribution to the economy for the benefit of all.

*With all due respect, politicians don't ask for our views.*

In April 2017 they received an invitation from David Curry MP to represent the Manufacturing and Services sector in the Parliamentary Review 2017. This sounded interesting. The company followed up the fine print, only to find that a fee of £2500 was required to participate. This would also allow entry to a gala reception.

They decided to give it a miss.

Who from the Government will come and talk to the likes of Grant Instruments before working out the detail of our Brexit deal?



Grant Instruments is determined to keep going and keep doing their best. But already their capacity to contribute to the South Cambridgeshire and British economy is diminished.

## **The Teenagers: A Common Territory**

In December 2012, Melbourn Village College (MVC) was offered the opportunity to become part of the EU-funded project, 'A Common Territory' (ACT). This comprised a network of activities and events promoting cross-Channel cooperation in the Arts. Led by the Orchestre de Picardie, ACT involved 13 partners from the UK and France, including the Royal Opera House, University of the Creative Arts and many other leading arts and education organisations. The network received funding of over 5 million Euros for a three-year period, with €350,000 being allocated to fund activities involving students at MVC. Principal Simon Holmes:



*Instrumentalists at MVC benefited from working and performing with visiting professional musicians at the college and also in France. A large number of other students benefitted from hearing professional musicians practise and play (over 40% of the college – 200 students - heard a visiting string quintet play Mendelssohn and Mozart). Students from the college performed and sang at a number of events in France, including a jazz festival and an international peace ceremony,*

*naming a new rose of peace (appropriately from the Picardie region).*

*Students' art work and poetic responses to given stimuli were exhibited at the Royal Opera House, Thurrock, alongside a performance of Verdi's Requiem, which students attended. The MVC Big Band performed in France and worked with Chris Brubeck.*

*A highlight of the project was a week-long residential trip to the Somme for 120 Year 8 and 9 students (the college's largest ever such trip). The resulting work formed part of an exhibition (subsequently published) in Melbourn by a local history group commemorating 100 years since the start of World War One.*



*The project culminated at Easter 2015 with four performances of Benjamin Britten's 'Noyes Fludde'. The first two took place in France, in January, involving 50+ students from MVC and partner primary schools working with a French Orchestra, the Royal Opera House and over 100 French students (singers and instrumentalists). The two English performances, in March, involved the same musicians, 160 students from MVC and partner colleges, plus Hauxton, Harston and Foxton Primary Schools, as well as 75 visiting French students.*

*In addition to all the above, all students at MVC explored the question of community through a variety of embedded activities.*

*The funding for this project meant that every activity (including the Somme trip) was free to the students involved. This meant that they were able to gain some unique cultural experiences that they*

*simply would not have accessed were it not for our involvement in the project and the generosity of the European Union.*

## The Zoo



Shepreth Wildlife Park is one of the most frequented tourist destinations in South Cambridgeshire.

Dedicated to conservation education and the protection of endangered species, their accreditation through membership of key European organisations is of paramount importance: the European Association of Zoos and Aquaria, and the European Endangered Programme.

They benefit from 100 volunteers, many of them EU nationals here due to freedom of movement and provide free conservation welfare education to thousands of school children annually.

## Sending a Package to Belgium

*For most people, the Customs Union is probably a hidden irrelevance. Apart from walking through a blue or green channel at the airport after your holiday, what difference does it make? Yet almost every object you pick up has probably had at least some of its constituent parts imported, and the efforts of the manufacturer to comply with customs will be embodied in the price and availability of all those products.*

*As a small business-owner, I had an insight into the value of the Customs Union this week. I had to ship two pieces of R&D equipment abroad – one to the USA and one to Belgium.*



*For the US, we had to state what the equipment was, and what its value is. We paid a premium for next day delivery for the US package, but when we asked our customer if they received it, they had not. So we tracked it, and it was still at East Midlands Airport. We called the courier – they never seem to call us – and they said it was stuck in customs because they needed a document proving that certain parts of the equipment were originally received from the US. We did not have this, but our customer did so we asked him. He was on holiday.*

*We told this to the courier company and they said we could either wait, or send it without the document but pay duty. How much was the duty? we asked. They didn't know. You only seem to find out after it goes through customs and that's a different organisation. So we had to wait another day. We then passed the information to the courier, but again, the next morning, the package was still at East Midlands Airport. No word from the courier, so we called to ask why. They wanted our VAT number. Actually, they already had it, but hadn't looked it up. We passed on the number and eventually the package went. The next-day premium service arrived at our customer in the US on day 9. We are sending staff out to install the equipment, and the travel is costing our company a lot of money.*

*Our good organisation to have it all sent over a week in advance was lost with the delay, and it turned up just the day before our trip. Any more delays, and we would have had to call off the trip and rearrange it with an unhappy customer who didn't want their equipment to be installed late. Had that happened, the additional costs would have reduced our profit substantially, with further time of our staff being spent on more paperwork instead of providing a valuable service to our customer.*

*And what about the package to Belgium? No documentation necessary. Just put in the address, and when I woke up the next morning it was already there. This is the benefit of a Customs Union that makes it as easy to ship to European countries as to another UK address.*

*I am pleased to say we have two happy customers, but if you repeat this sort of experience often enough, things will go wrong and our ability to be a reliable supplier of that service will be diminished compared to our overseas competitors. Behind the scenes, this is the story going on with the manufacturers and suppliers of so many everyday things that we buy. Who would wish such an increased bureaucratic burden on UK businesses?*

## **The Fruit Farmers**

Cam Valley Orchards is the biggest producer of Victoria Plums in East Anglia. Peak picking time in late August relies on East European labour - British workers tend not to be available. 2016 directly after the Referendum was already difficult due to exchange rates and negative signals toward immigrants.

The 2017 crop came early, well before the Polish workforce was scheduled to arrive on pre-booked (and more affordable) flights. A number of local English pickers were hired to help start the plum harvest in mid-August, joined later by agency Romanian and Bulgarian pickers.

Across the fruit picking industry, EU pickers are 10% down on pre-Referendum days, and this is reflected at Cam Valley Orchards too. More English pickers are needed.





The plum season is shorter and earlier than the apple season, so getting a workforce in place for the necessary time period is the critical. It is expected that workforce recruitment will be a bit harder as Brexit comes into force. Meeting strict time windows will be more difficult.

Meanwhile, the apple picking season is longer and apples offer a more diverse business opportunity - apple juice has become a key part of the business. I watched Tim move small bottles into a machine for filling up, while perching next to a wooden crate full of bottle tops.

So the plan is to place increasing emphasis on apple juice - great news as this is a wonderful product. But for lovers of the Victoria Plum, while it will continue to be grown for the Farm Shop and local outlets, its diminishing presence will help mark out the Brexit history divide.

[On 6 September 2018 the government said it may facilitate visas for people to work on farms.]

## The Shoe Shop

‘Shoes are the Love of My Life!’ says Theresa May.

One of her leopard-print pairs (with the red toes) is made by Beverly Feldman, a British designer who relocated her business to Alicante, Spain, where she reports that the constant sunshine provides inspiration. So, shoes designed and made in Spain, and imported to the UK under EU Single Market and Customs Union, with no fuss. (Not to mention a random British person deciding just like that to relocate to Spain, with full rights to live and work ten minutes from the Mediterranean.)

Surely Theresa May would take note if Shepreth’s self-described ‘Shoe Siren’ Sarah Decent, owner of Modish Shoe Shop in Green Street Cambridge, knocked on the door at 10 Downing Street, wearing her own cool pair of shoes. Modish sells affordable, delightful and mostly imported shoes – and mostly direct from Europe due to seamless trade under the Single Market and Customs Union.

What if Sarah were to explain to Theresa that come 29 March 2019, the business may not be viable?

The problem is profit margins: if the UK leaves the EU without a plan, it will automatically fall under World Trade Organization rules. Sarah calculates this would put an 11% increase on the cost of the shoes she sells, due to WTO tariffs on footwear. That 11% will wipe out the profit margin that keeps her business viable.

Already, Sarah reports, since the Referendum, costs have gone up due to the fall of Sterling.

It's not fair to put the extra cost on my customers, so the business has borne the extra burden.

Then there's consumer confidence: since the Referendum, even in affluent Cambridge, Sarah says that customers are not spending as much, and tend more to wait for sales – and neighbouring retailers report the same.

*I'm not a trade deal expert but I know that without a decent trade deal arrangement my business will have to shut down.*



As for the view that no deal is better than a bad deal, Sarah says,

*That's rubbish.*

*No deal means we go to World Trade Organization rules, and that will wipe out a heck of a lot of small businesses. I want a say in what happens!*

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