The impact of Brexit on Norfolk[1]

Key points

- **EU investment in Norfolk and Suffolk generates £730 million a year**
- **Norfolk is more heavily dependent on EU trade (53%) than the rest of the UK (46%)**
- **57% of farm incomes comes from EU "there may..be high levels of unemployment in rural areas"**
- **Exporting will be less competitive, with higher costs and admin**
- **Food production will be reduced, due to lack of migrant labour**
- **Likely shortages of imported building materials for construction**
- **There will be skills shortages in tourism (visitors, hotels and catering)**
- **Research funding and opportunities will be reduced**

EU funding

> "Norfolk and Suffolk have accessed £1.9bn of EU funds since 2007. With leverage, this is 7.34bn of total investment in the two counties. Loss of this level of funding would have a significant impact on the two counties, which would not traditionally be seen as areas of need."

Trade

> "The EU is the largest export market for Norfolk, accounting for 53pc of trade (£2.1bn) and worth more than all the rest of world exports combined. In terms of imports, it is also the largest source for Norfolk. EU trade relations are therefore vital to Norfolk."

Agriculture and food manufacturing

> "Direct subsidy represents around 57pc of average farm incomes. The risks of Brexit could be very significant.
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> "An increase in import tariffs on items such as fertiliser may make them more expensive.
>
> "Agricultural subsidies … support rural economies and communities by providing jobs. There may, therefore be high levels of rural unemployment in areas which are already deprived.
>
> The county council's response to a call for evidence from the Local Government Association recommended that a fund be set up and localised to mitigate any additional cost caused by exiting the union.
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> "It has been widely stated the UK needs to increase the amount of food it processes from local produce, whereas the loss of migrant labour could see a reduction of output or even closures if operations become unviable.

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[1] From NCC "Getting Norfolk Ready for Brexit" and New Anglia LEP "EU Investment in New Anglia"

Exports

“Additional charges for exports would immediately serve to reduce their competitiveness and UK firms focussed on exporting will be weakened. Unless support is provided to mitigate this could result in considerable job losses and businesses could face risks.”

Local labour force

“In 2016 the total (non-UK) EU population working in Norfolk was 41,195 (4.6% of total population). They work across 11 sectors. In the long-term, it is highly likely that migration from the EU will drop.

“Access to skills, either in low skill employment or high skilled professions is becoming increasingly challenging, as migrant workers choose other EU countries because of the uncertainty over Brexit, or the fall in the value of the pound makes the UK less attractive.”

“Norfolk businesses need reassurance that mechanisms will be found to maintain the flow of migrant labour to key areas of local shortfall, both lower and higher skilled roles.”

Construction

“Loss of access to a single market is likely to cause shortages in building materials, risking increased cost of construction and delivery.”

Tourism

“[Norfolk’s] Visitor economy is most exposed to the restriction of labour. This sector employs a high number of EU migrants to plug domestic skill shortages in hard-to-fill vacancies.”

The Council plans to publish a risk register, which will be updated soon and aims to further assess the potential impact on workforce and changes in regulations.

A spokesman for the council said: “Norfolk County Council is working with a range of partners on our response to Brexit.

“We have commissioned a wide range of activities, both on our own and with partners and will continue to support people and businesses over the complex issues surrounding it.”

Research

Norfolk is a major international research centre in agri- and bio-sciences, life sciences, telecoms and creative sectors. This is supported in the current round by EU research funding of £91.8 million.